

234016

JPRS-NEA-85-088

9 July 1985

Near East/South Asia Report

19980226 151

DTIC QUALITY INSPECTED 4

DISTRIBUTION STATEMENT A

Approved for public release;
Distribution Unlimited

FBIS

FOREIGN BROADCAST INFORMATION SERVICE

REPRODUCED BY
NATIONAL TECHNICAL
INFORMATION SERVICE
U.S. DEPARTMENT OF COMMERCE
SPRINGFIELD, VA. 22161

111
A06

NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

9 July 1985

NEAR EAST/SOUTH ASIA REPORT

CONTENTS

ARAB EAST/ISRAEL

ISRAEL

- High Technology Research, Production Seen Key to Export Growth
(Gustaf von Platen; SVENSKA DAGBLADET, 13 May 85)..... 1

SOUTH ASIA

AFGHANISTAN

- Economic Growth Foremost Aim of Revolution
(HEYWAD, 17 Apr 85)..... 4
- People's Participation in Government Projects Increasing
(ANIS, 11 Apr 85)..... 6
- Cooperatives Meet Farmers Needs
(DEHQAN, 3 Apr 85)..... 8
- Workers Consumer Cooperatives Increasing
(ANIS, 10 Apr 85)..... 10
- Cooperative Society Helping Workers
(ANIS, 15 Apr 85)..... 11
- 'New' Education System Under Study
(HAQIQAT-E ENGELAB-E SAWR, 11 Apr 85)..... 13

Participation in Literacy Courses Increasing (HEYWAD, 17 Apr 85).....	16
Landowners Assisted in Irrigation (HEYWAD, 6 Apr 85).....	17
Agriculture Said To Increase National Economy (ANIS, 11 Mar 85).....	18
Health Clinics Provide Service to Mothers, Children (HEYWAD, 10 Mar 85).....	20
Briefs	
Farm Cooperatives	22
INDIA	
Delhi's Problems in Coping With Civil Unrest Noted (G.K. Reddy; THE HINDU, 15 Apr 85).....	23
Government Concerned Over Spreading Violence (G.K. Reddy; THE HINDU, 14 Apr 85).....	25
Analysts Write on Indian Relations With U.S. (THE TIMES OF INDIA, 24 Apr 85; PATRIOT, 28 May 85).....	26
Need for Change Noted, by Girilal Jain	26
Basic Contradictions Seen, by C.P. Bhambhri	29
Gandhi: India No Ground for Superpower Rivalry (PATRIOT, 25 Apr 85).....	32
Reportage, Comment on Trade Talks With U.S. (Various sources, various dates).....	33
Items Needed, Policy Problems, by Tapan Dasgupta	33
Assessment of Baldrige, by G.K. Reddy	34
Analyst on Baldrige Visit, by G.K. Reddy	35
Communist Editorial	36
Papers Report, Comment on Possible Purchase of U.S. Arms (THE HINDU, 26 Apr 85; THE TIMES OF INDIA, 29 Apr, 10 May 85).....	38
G.K. Reddy Commentary	38
Report on Pentagon List, by J.N. Parimoo	39
Soviet Source 'Irreplaceable', Editorial	42
Defense Minister Answers Questions in Lok Sabha (THE TIMES OF INDIA, 26 Apr 85).....	44

Gandhi's Interview With Islamabad Daily Reported (THE TIMES OF INDIA, 26 Apr 85).....	46
Analyst Writes on Shortcomings of Cabinet (G.K. Reddy; THE HINDU, 28 Apr 85).....	49
Analyst Notes Cabinet Reshuffle May Be In Offing (G.K. Reddy; THE HINDU, 11 May 85).....	52
Analyst Regrets Rajiv Refusal To Attend Bandung Event (G.K. Reddy; THE HINDU, 24 Apr 85).....	53
Australian Foreign Minister Speaks to Delhi Press , (THE HINDU, 9 May 85).....	54
Publication of Plan Draft After September Meeting (THE TIMES OF INDIA, 24 May 85).....	55
CPI Leader Writes on National Council Conclusions (PATRIOT, 10 May 85).....	56
CPI-M Leader Says Time Not Ripe for Communist Merger (THE HINDU, 10 May 85).....	57
CPI-M General Secretary Meets Press in Trivandrum (THE TELEGRAPH, 24 May 85).....	58
Congress-I Workers Worry Over Direction of Party (Subhash Kirpekar; THE TIMES OF INDIA, 10 May 85).....	59
Correspondent Interviews Janata Party President (Chandra Shekhar Interview; THE TELEGRAPH, 9 May 85)....	62
Member of BJP National Executive Asked To Resign (THE STATESMAN, 14 May 85).....	64
Congress-I Reverses in Byelections Reported (THE TELEGRAPH, 26 Apr 85).....	65
Election Commission Wants Steps Against Booth Capturing (THE STATESMAN, 26 Apr 85).....	67
Commerce Ministry Departments Report Trade Deficits (PATRIOT, 26 Apr 85).....	69
Agriculture Department Reports Under-Target Output (THE TIMES OF INDIA, 25 Apr 85).....	70
Border Security Head on Talks With Dhaka Officials (THE STATESMAN, 27 Apr 85).....	71

Reportage on Meeting of All-India Congress Committee (PATRIOT, 5 May 85; THE TELEGRAPH, 14 May 85).....	72
Resolution on International Affairs	72
Political Resolution	74
Resistance to Draft Resolution, by Nikhil Chakravartty	77
Text of Finance Minister's Statement on Budget Bill (THE HINDU, 9 May 85).....	79
Search for Long-Range Guns for Army Continues (G.K. Reddy; THE HINDU, 8 May 85).....	81
Analyst Notes French Efforts To Sell Arms to India (G.K. Reddy; THE HINDU, 24 May 85).....	83
Papers Report on Pune Lab for Explosives R&D (THE TIMES OF INDIA, 10 May 85; THE TELEGRAPH, 10 May 85).	84
'On Par With Europe', by B.M. Purandare	84
Correspondents Tour Installation, by Lekha Dhar	86
Submarine, Other Construction Projects Delayed (Olga Tellis; THE TELEGRAPH, 8 May 85).....	89
Efforts Underway To Revive Demand for Uttarkhand (THE TIMES OF INDIA, 17 May 85).....	90
Further Liberalization of Licensing Rules Reported (THE HINDU, 25 May 85).....	91
Report on Outcome of Naxalbari Meeting of Naxalites (THE TIMES OF INDIA, 27 May 85).....	93
Briefs	
New Tamil Party	95
Seventh Plan Draft	95
New Assam Union	95
Rocket Propellant Developed	96
Minister's Additional Portfolio	96
New Naval Air Station	96
Machine Tools From Bloc	97
Oil Drilling Areas	97

IRAN

Wholesale Price Index of Goods for Feb-Mar 1985 Announced (SOBH-E AZADEGAN, 21 Apr 85).....	98
--	----

Activities of Industries Division of Foundation for Oppressed (KEYHAN, 25 Apr 85).....	99
Iraqi POWs Meet With Families (KEYHAN, 27 Apr 85).....	101
Opposition Paper Reports on Situation in Tehran (NEHZAT, 25 Apr 85).....	103

ISRAEL

HIGH TECHNOLOGY RESEARCH, PRODUCTION SEEN KEY TO EXPORT GROWTH

Stockholm SVENSKA DAGBLADET in Swedish 13 May 85 p IV

[Article by Gustaf von Platen: "High Technology Export, Israel's Industrial Hope"]

[Text] First came agriculture then the armed forces. Now the time has come to concentrate on high technology industry, the high-tech.

That is how 59-year old Stef Wertheimer, one of Israel's leading industrialists, outlines the history and the future of the country. And as always he translates his ideas into action. That is why he is building an industrial center for small businesses that concentrate on export, ENTREPARK or Entrepreneur's Industrial Park, in Tefen nestled among the mountains of Galilee, 8 kilometers from the Lebanese border.

And not far away, a city is being built for white and blue collar workers, the Rose Garden City. It is designed for 3,000 families or 15,000 inhabitants--both Jews and Arabs. It is to be well equipped with all social service establishments and is to be nestled among parks and rose gardens.

But no roses bloom there as yet. The cement mixers, the bulldozers and the scaffolds still dominate the city's picture. Only ten families have been able to move into their houses or townhomes.

Controversial

Stef Wertheimer is a dynamic and controversial figure. He was born in Germany in 1926, managed to escape from Hitler to the Palestine in 1935, he was a mechanic in the Royal Air Force during the war and thereafter he became a fighter pilot in the Israeli Air Force.

After the war he started a small tool-manufacturing business, ISCAR, Ltd, in the kitchen of his apartment. Today the business, or rather the group of businesses, employs 1,300 people, its sales are around a half-a-billion and it is in the process of rapid expansion.

Among the businesses in the group can be found Iscar Blades, which manufactures rotor blades for airplane engines and turbines, and a company making

micro-tools, which is a sub-contractor for IBM; 50 percent of its production goes to IBM.

But they point with special pride to the manufacture of cutting tools, which compete with Sandvik, among others. The success is built on a new system, called Self-Grip or SG, which makes the exchange of cutters a fast and simple procedure, eliminating the need for attaching the steel with screws or clamping it to the holder.

Future Vision

The development of the concern is not an end in itself for Stef Wertheimer. It is, at the same time, an illustration of a full-scale, practical experiment of his ideas for the future of Israel.

"This country needed a thousand fighter pilots to guarantee its security. Now we need a thousand manufacturers in order to create a normal society," he says.

Wertheimer is right, Israel is not a normal society. The country has an inflation rate of over 400 percent, the currency reserve is frighteningly small and the defense budget is frighteningly large. And only 70,000 people work within the export industry.

According to Stef Wertheimer, this number ought to be doubled as quickly as possible. The farmers, who made the deserts bloom, and the soldiers, who fought for Israel's independence, need to be supplemented with industrial workers.

But an industrial expansion in Israel runs into difficulties, as the country has limited space and lacks water resources. It can never become a country of billowing smoke-stacks, the population is extremely ecology-conscious.

What is in the minds of those who speak for a concentration on industry, is an Israeli version of Silicon Valley, an industry aimed at high technology products. A beginning has already been made. During the last couple of years, 150 companies, manufacturing scientifically based products, have come into being.

"Fifteen years ago, our high-tech exports constituted only 1 percent of our total industrial export," reports the Ministry of Trade. "But in 1981 the technological export had risen to 33 percent and represented a value of 2.2 billion dollars."

With financial aid from the state, Wertheimer established his ENTREPARK, in order to give a boost to this development towards high technology.

The park consists of a factory building, where a few dozen small manufacturers can lease space at a reasonable--i.e. subsidized--rate. The prerequisite is that they are newly established and that they manufacture high technology products for the export market.

There is also a service center with a pool of financing and accounting personnel, multi-lingual secretaries, specialists in advertising and promotion and also a department for export and transport questions.

"Dim Plan"

When Wertheimer first made his suggestion, both the press and the authorities were negative. A newspaper described the project as "the dimmest plan ever to be presented to the authorities." And the regional authorities said no thanks in the beginning. They changed their minds.

At the present time, ENTREPARK has reached the stage where three of the fifteen companies, that the premises are intended for, have moved in. One of them, Ferrofluid LTD, which manufactures magnetic fluid for computers and loud-speakers, is a newly established subsidiary of an American company, foreign investments are also welcome in ENTREPARK.

In order to further stimulate interest in the Israeli export industry, Stef Wertheimer made an interesting--and in Israel much reported--experiment at the beginning of the year. He decided to pay the income tax, up to \$500 per month, for all those employed in his tool business, for three months.

In all, the benefit affected 600 blue and white collar workers, who had a combined tax burden of \$100,000 per month. Wertheimer maintained that the company's expenditure (a total of \$300,000) would be recovered by increased production.

When the experiment was ended, a month ago, it was proven that Wertheimer had judged the situation correctly. Sick-leave in the two factories concerned had increased, the rejection percentage had decreased and the work speed had increased. When the final summation was made, the production values were increased by almost a million dollars, of which 90 percent was exported to the United States, Japan and Europe.

"When I took care of the problems of the employees, they worked like Japanese," commented Stef Wertheimer afterwards. In the past he, himself, was a politician and for a couple of years he was a member of the parliament, the Knesset; he is now debating with the Ministry of Finance about an easing of the tax burden for those who work within the export industry. During the current crisis it has demonstrated its strength, or to quote Wertheimer:

"It has been a vibrating muscle in a sick body." And he feels that only by continued concentration on high technology, can Israel reach economic independence. And in the long run that is as important as the military.

12339

CSO: 3650/251

9 July 1985

AFGHANISTAN

ECONOMIC GROWTH FOREMOST AIM OF REVOLUTION

Kabul HEYWAD in Dari 17 Apr 85 p 2

[Text] We are approaching the seventh anniversary of the glorious Sawr revolution. In these seven years great works have taken place to benefit the people and our country was put on the path of profound revolutionary transformations. With the transfer of political power to the nation's toilers, opportunities for the democratization of political, social and economic life were provided. The country's new political system, as an expression of the power of the million-fold masses of this land, has put the state apparatus and administration at the service of the people.

Our people are now completely aware of and acquainted with the truth that the creation of a new society and the provision of the prosperity and welfare of the toiling people is possible solely by means of creating revolutionary transformations.

The point should be kept in mind that the construction of a prosperous and powerful society requires time just as it requires coordinated, harmonious and planned work by people throughout the country. Despite the fact that a short period of time has passed since the victory of our national and democratic revolution, nonetheless the first material foundations of a new and just society have been laid.

It must be said that in the years before the revolution U.N. experts stated that the annual per capita income in Afghanistan was less than 60 dollars. The level of education was shamefully low. Only 10 percent of the people could read and write, women did not possess the most elementary human rights. The working class, as the advance guard and revolutionary class, did not show notable growth in size. Every sort of trade and political movement of the working class was repressed. It was in such circumstances that the battering waves of the revolution reached their crest.

Under the leadership of the PDPA, the revolutionary fervor and zeal of the people reached unprecedented heights. Finally the national and democratic Sawr revolution was victorious and in this way a completely new chapter in the long history of this land was begun.

In the short time that has passed in the revolution's life, despite the provocations and unrest stirred up by the counterrevolution and despite the rumour

and lie-mongering by the imperialist propaganda agencies, long strides have been taken toward ensuring democratic freedoms and improving the lives of the toilers. A democratic land reform program was organized in order to conquer economic and social backwardness and overthrow feudal and pre-feudal relations. And it was put into action.

Land was distributed gratis to more than 310,000 farming families without land or with small holdings. In the same way, important policies were adopted to improve the condition of industry, raise the level of industrial productions and lay the foundations for key industries. The life of the working class has undergone qualitative and fundamental changes from the material and spiritual standpoints.

The DRA government is striving persistently and untiringly in the area of improving education and training. Its goal is to totally eradicate illiteracy which is the factor holding back the development and progress of the country. Following the revolution's victory, public education became free and elementary education became compulsory and free. From another angle, hundreds of thousands of people are taking literacy courses. These courses have been created in all the plants and factories, farms, cities, villages and construction and production industries. During the revolution's years the governmental sector has been strengthened in the country's economy and its position has been profoundly consolidated as the chief leading and guiding sector in all national economic fields, industries, agriculture, trade, services and distribution. During these same years the arena of foreign trade has had unprecedented growth and the domestic governmental, mixed and cooperative wholesale trade arenas are displaying high indexes. Victories have been achieved and a national and progressive banking system has been created through the implementation of the plan in the financial policy field. Government incomes have increased, and now people throughout the country can touch and feel the achievements of the revolution in all areas and fields. Our people believe that the national democratic Sawr revolution alone can raise our country to a high degree of prosperity and progress and make the nation's million-fold masses comfortable and prosperous. Thus people throughout the country are decisively and heroically defending and guarding the revolution.

9597

CSO: 4665/84

AFGHANISTAN

PEOPLE'S PARTICIPATION IN GOVERNMENT PROJECTS INCREASING

Kabul ANIS in Dari 11 Apr 85 p 2

[Text] The victory of the revolution is considered a great turning point in our country's long history because this great and life-giving victory started the fundamental transformations and basic changes that we are now observing in all fields of life. The revolution, with the decisive overthrow of the domination by the feudal tyrants, the affiliated compradores and corrupt bureaucrats, established a new popular sovereignty in the country, a sovereignty raised from amidst the people, representing the hope and desires of the people, a true servant on the path towards the peace and prosperity of the vast popular masses. The new popular sovereignty, the natural result of the revolution's victory and its greatest achievement, day by day is strengthened through the brave support of the masses under the skillful leadership of the PDPA in its decisive victory over the obstinate resistance of the overthrown classes and strata and their imperialist supporters led by the adventurist Reagan administration. It is expanding its activities towards raising the level of the people's welfare and the nation's prosperity.

One of the basic and most fundamentally important issues in the revolutionary years is the increased participation of the people in the implementation of state plans. This matter is convincing proof of the righteousness of the party's path and the just hopes of the revolution, a clear indication of the pathetic defeat of reaction and imperialism in their struggle to create a gap between the people and the new revolutionary sovereignty, and a verifier of the people's daily increasing understanding of their creative historic mission to build a new prosperous society.

The great campaign of preparing the vast popular masses for an appropriate celebration of the twentieth anniversary of the party's founding, which once again was transformed into a bright expression of the people's enthusiastic and excited defense of the party and the new sovereignty, showed that now the party's path has attained a complete irrevocability and invulnerability as a result of the unexcelled raising of the awareness of the masses and the possession of a social support in the masses.

The masses, who in the period of reactionary domination were not able to utilize state services and yet bore on their shoulders the basic pressure of the taxes and expenses of the past decayed regimes, did not profit from state services

and facilities to improve their lives and could not show an interest in the implementation of the state's plans. In the visage of the state they saw their own executioner and the repressive instrument of their class enemies, and for this reason did not profit from the implementation of its plans, which were aimed at strengthening the positions of their class enemies.

The Sawr revolution brought this situation to an end. With the transfer of political power to the people that was realized as a result of the revolution, a new state authority came into existence that represented the sovereignty of the great popular masses. Today the basic duty of the state is comprised of constantly raising the level of the people's welfare and the prosperity of our revolutionary land, beloved Afghanistan. This matter has been stated explicitly in the fundamental documents of the state and party, including the PDPA action program. Furthermore the decisions of the party's central committee plenums, particularly the documents of the eleventh plenum of the PDPA central committee which defined the basic goals of the state's tasks in the economic area, deemed the unpostponable duty of all the party organizations and state offices to give constant attention to the strengthening of the country's economy, improving the level of the people's welfare and elevating the country.

The decisions of the party and state during the years of the revolution have proven their unwavering determination to pursue the policy of ensuring the daily increasing prosperity of the popular masses. During these years of a worthy destiny, the people have gained tremendous successes. The people have felt the realization of their historic hopes in the realization of the state's plans and the implementation of the PDPA policy. At this very moment workers in a house-building factory are living in modern houses with comprehensive facilities by paying only two percent of their wages. The farmers are working on lands which belong to them and whose harvest they are not pouring into their master's storehouse. Priority has been given to the implementation of health insurance for toilers and their families. Wages of workers and employees have doubled. Workers in the private sector are also obtaining coupon materials at subsidized prices. The literacy movement has enlightened the hearts and minds of hundreds of thousands, and the literacy process is moving forward intensively with the collective efforts of the vast toiling masses. The policy of the party and the state's plans put as their goals the happiness, prosperity and tranquillity of all the national and democratic social classes and strata, all children of suffering and toil, all patriots and progressives. Thus it is no consequence that the entire people, young and old, men and women, villagers and city-dwellers are self-sacrificingly and heroically participating in their realization.

The increase participation of the people in the implementation of the state's plans is a natural and irrevocable process. The naturalness of this process arises from the complete conformity of the goals of the aforementioned plans with the vital interests of the masses, and its irrevocability is hidden in the fact that the masses will never be ashamed of their participation, because its consequences will be the welfare and peace of themselves, their families and our country's future generations.

9 July 1985

AFGHANISTAN

COOPERATIVES MEET FARMERS NEEDS

Kabul DEHQAN in Dari 3 Apr 85 p 8

[Text] The farmers of Kabul Province carried out the following activities during the three quarters of last year in accordance with the plan they had at hand: Creation of five consumer cooperatives in the districts of Bagram, Mir Bachah Kut, Paghman, Char Asiab and Qarah Bagh, with a total of 559 members and a capital share of 279,500 afghanis. In addition, five consumer goods stores were founded. Presently, there are five cooperative unions and 13 consumer cooperatives active throughout the districts within the framework of the Kabul Province Union.

Furthermore, in the light of the comprehensive propaganda that took place in regard to the cooperative movement's consumer cooperatives in the Kabul Province districts, people are registering daily to be included in the cooperatives. So far this year 294 people with a capital share of 147,000 afghanis have been newly attracted to district cooperatives in the Kabul Province. During the last nine months a series of meetings and volunteer work was organized in Kabul Province districts. As a result of the volunteer work the government received some income. Furthermore, 30 percent of the members of consumer cooperatives in the districts have been organized in defenders groups in order to defend the accomplishments of the Sawr revolution. In order to make consumer cooperative members literate, literacy courses have been created, the number of which has reached 12, and the number of cooperative members enrolled has reached 750. Furthermore, materials such as books and blackboards have been made available to them.

The Kabul Province Farmers' Cooperative Union has 16 consumer goods stores, the volume of whose sales reached 8,873,839,190 afghanis during the last 9 months of last year. It must be said that the sales in the Kabul Province's consumer cooperative stores have had a positive effect on the sale prices in the bazaar.

In addition to the founding of consumer stores in the Kabul Province's districts' cooperatives, a mobile store has been started up with a capital of 20,000,000 afghanis, and its sales are continuing. Its volume of sales during a 9-month period reached 9,075,796 afghanis and from this an amount of 663,838.27 afghanis profit was realized.

Furthermore, consumer goods worth 1,553,723 afghanis have been supplied to the consumer cooperatives in the districts of Kabul Province, and of this amount the union gained 105,430 afghanis income. Overall, the union's 9-month profit was 769,268 afghanis. The Kabul Province Farmers' Cooperative Union concluded a protocol of cooperation between the Kabul City Union Cooperative Fruit and Vegetables Center and the Trade Union whereby 353,440 kilograms of onions, equivalent to 35 tons [as written], worth 292,958 afghanis, were supplied by the farmers and made available without commission to the Cooperative Fruit and Vegetables Center Company.

9597

CSO: 4665/82

AFGHANISTAN

WORKERS CONSUMER COOPERATIVES INCREASING

Kabul ANIS in Dari 10 Apr 85 p 4

[Text] The Kabul City Industrial Workers' Consumer Cooperative, which was created in December 1980, at inception had 727 workers with a membership fee capital of 397,100 afghanis and a revolving capital of 1,950,000 afghanis. By the spring of 1983 its membership roster had 1,301 and by the spring of 1983 [as written] had added another 429 members.

The volume of goods in the cooperative was worth 152,120,000 afghanis, and the net profit of 830,611 afghanis was made by the aforementioned year. This brought about great hope for the cooperative movement in the country, and the number of consumer cooperatives is increasing daily.

The Kabul City Industrial Workers' Consumer Cooperative is pursuing its work according to its plan, and it has gathered a large number of workers and toilers around it. It makes necessary and consumer goods available to them at prices 10 to 20 percent below the market price. The cooperative's trade volume plan for 1983-1984 called for 21,950,000 afghanis worth of trade while the amount of 29,582,874 afghanis was realized, which shows a 35 percent increase over the projected plan.

During 1983-1984 the cooperative attracted another 555 members, so that by the end of the year the number of its members increased to 2,284.

The cooperative's current capital is 1,256,200 afghanis. The capital it gained from the profits of the years 1981 to 1984 was 1,267,907 afghanis.

After the founding of the farmers cooperatives in the country's capital and provinces, hundreds of farming, industrial and consumer cooperatives have been established, which are active under the supervision of the Farmers Cooperative Unions in the country's capital and provinces. These cooperatives not only play an active role in the strengthening of their members' financial strength, but also the acceleration of the cooperative movement in the country and the increasing number of their members have special importance in strengthening the national economy and development of the country.

Statistics and figures show that the cooperative movement in the country, under the leadership of the revolutionary party and the government, is advancing and that farmers, workers, merchants, craftsmen and all the country's toilers are sharing unitedly in the advancement of the revolutionary projects through these cooperatives.

AFGHANISTAN

COOPERATIVE SOCIETY HELPING WORKERS

Kabul ANIS in Dari 15 Apr 85 p 4

[Text] The Afghan Torkani Plant Cooperative Society, which was created in 1978 with 230 workers after the new and evolutionary stage of the Sawr revolution, during a City Council congress, was named a trade union. After the congress, in accordance with organizational norms of a trade union, the members of the union increased to 320 including men and women.

The Afghan Torkani Plant Trade Union had 600 members in the spring of 1984, and by the beginning of 1985 members had increased to 750. At present the number of its members has reached 765.

From its inception until now this trade union has provided many services for both men and women workers, among which one can mention gratis material aid and long-term loans.

Likewise, aid in the form of clothes, watches, shoes, etc, has also been provided to the hard-working workers.

Relating the above facts, a source said: The Afghan Torkani plant took part in work contests in all four quarters of the year. Thus during 1984-1985, it gained fourth place in the first quarter, third place in the second, and first place in the third quarter. Along the same lines, the administration and the trade union provided assistance to the workers each quarter. In 1984 three workers' children and in 1984 [as written] seven workers' children were sent to friendly and fraternal countries.

Similarly, during the years 1983-1984 and 1984-1985 six workers were sent to the friendly countries for recreation and two workers were sent for syndicate education.

In order to eliminate the problems of women workers in the Torkani plant, a children's room was created. Six teachers take care of 35 children of women workers there.

Fuel at low price was distributed last winter to union members. Members are covered by health insurance. In light of the proposal by the trade union, in 1985-1986 this plant's workers will also be able to get treatment for another three members of their family.

Concerning the creation of literacy courses, the source said: Following the Sawr revolution literacy courses were created in this factory. There are 280 workers engaged in learning to read and write in these courses. During the same period 102 certificates were conferred to as many graduates.

Self-defense and revolution guards groups have been organized at this factory. Most of the young workers in this plant are members of these groups.

The source added: In order to welcome the auspicious seventh anniversary celebration of the glorious Sawr revolution, the Afghan Torkani plant workers made a pledge to perform voluntary work from 22 March until 26 April from 1300 hours until 1630 hours on non-working days. In addition, as a result of the pledge of the literacy courses, 20 more individuals will gain certificates from their literacy classes by 26 April.

On the same occasion the trade union pledged to include 20 more workers alongside 40 others from the plant in the second vocational courses.

9597

CSO: 4665/83

AFGHANISTAN

'NEW' EDUCATION SYSTEM UNDER STUDY

Kabul HAQIQAT-E ENGELAB-E SAWR in Dari 11 Apr 85 p 1

[Text] The regular session of the Political Bureau of the PDPA Central Committee gave comprehensive discussion to the current state of education in the DRA, and adopted policies aimed at its further growth. The growth of a national, progressive system of education and the education of youth with a patriotic and internationalistic spirit comprises an important link in the PDPA's educational policy. This policy, which is aware of the growth and evolution of the spiritual values of the ethnic groups and tribes residing in the country, makes it possible for a secondary education to be provided on a national scale. It also provides for the expansion of schools, training centers, libraries and other educational institutions and offices, and ensures a continuous rise in the people's level of education in parallel with economic transformations.

On this basis and that of the orders and laws of the state and the DRA government, a national, progressive educational system has been created in the country and is evolving: school charters have been prepared, new educational programs, books and teaching aids have been written, and efforts are being made to complete teachers' cadres, attract the children of the toilers and teach them in the mother tongues of ethnic groups.

Comrade Babrak Karmal, general secretary of the PDPA Central Committee and president of the DRA Revolutionary Council, while making an exact and scientific evaluation of the DRA's educational system's current state, emphasized the special responsibility of the elementary and secondary school systems in raising the new generation, and stated:

--The organic link of the educational process must become a part of the action program of the schools.

--The educational system must put the raising of youth with patriotic beliefs at the forefront of its duties and assist in the process of creating, stabilizing, transferring, understanding and applying the revolution's values among the new generation.

--Ideological and educational content throughout the educational process, particularly its sociological environment and instruction in mother tongues

and acquaintance with the literature and history of fraternal ethnic groups must be enriched.

--Serious attention must be given to the preparation of teachers' cadres and raising their level of skill and knowledge.

--Serious attention must be given to the material and spiritual life of teachers, particularly those teachers occupied in educating the children of toilers in the remote areas. Their prestige and social position must be raised and strengthened.

Comrade Babrak Karmal also illuminated factors obstructing the improvement and future growth of the education of the country's youth, and stated that despite the victories gained in the educational area, despite the hostility and enmity of the counterrevolution to progressive education, serious flaws and shortages exist in the complete implementation of a new educational system in the country. These shortfalls chiefly consist of inadequate attraction of the nation's children to the schools, weakness in the preparation of teachers' cadres, and weakness in raising the role and significance of the teachers and instructors as guides in the lives of the nation's children and youth.

Bearing in mind the guidance and leadership of comrade Babrak Karmal, the Political Bureau of the PDPA Central Committee adopted policies aimed at the future growth of the DRA's education, and assigned the following vital and essential duties to the DRA Ministry of Education, local organs, government offices and party and social organizations:

--Providing for the growth of mandatory national elementary education.

--Preparing and implementing specific plans for the new educational system and strengthening the material foundation of the schools in the capital, provinces and localities.

--Utilizing all resources and policies aimed at equipping schools, improving preventive policies aimed at ensuring the health of children, and improving residential and lodging facilities for the country's schools and educational institutions.

--Improving educational conditions for the children of nomads and the country's border tribes.

--Supplying books and teaching aids and transferring them on time, creating and expanding libraries with useful and progressive material.

--Ensuring the effectiveness of party-political work in the schools: improving the activities of primary party and youth organizations in the schools and giving priority to the political and patriotic education of the new generation by these organizations.

We believe that realizing these decisions pragmatically aids the spreading of the new system of education in the country and helps to give a patriotic education to the new generation and youth. All the committees and primary party organizations must understand that attention to the schools and the improvement of political work in the schools is attention to the new generation and the youth and the improvement of political work with youth, and that this is one of our revolution's most pressing duties.

9597

CSO: 4665/81

9 July 1985

AFGHANISTAN

PARTICIPATION IN LITERACY COURSES INCREASING

Kabul HEYWAD in Dari 17 Apr 85 p 4

[Text] The Afghan counterrevolution, at the instigation of U.S. imperialism and its other reactionary partners, has started to sabotage schools in addition to murdering and plundering. They ruthlessly ruin schools, and desperately strive to deprive children and youth from obtaining science and knowledge. 'Abdul'Aziz, Balkh's General Education Directorate deputy for instruction, stated the above and added:

It must be sadly noted that reactionary and anti-education elements have ruined 107 schools in the province and rendered them unusable. However, despite this, those individuals thirsty for knowledge who have realized the realities of the revolution are enthusiastically pursuing the quest for knowledge, even in the ruins and rubble of the schools burned by the counter-revolution.

Despite difficulties, the Balkh General Education Directorate has striven to provide facilities in this area for the children of toilers. Furthermore, our citizens have taken an outstanding role in creating favorable circumstances for their children's education, and have played an effective role in activating the schools. For example, the Soltan Reziyah Mazar High School has been activated with the help of the parents of the children. He added: A number of Balkh's schools are under the patronage of certain institutions, and these institutions are giving plentiful help to these schools. For example, the Balkh Sarandoy tribes and the Bandar Hayratan plant have given notable help to the Gazhzi Amanullah and the Bandar Hayratan High Schools. In 1984-1985, the Balkh General Education Directorate attracted 1,020 more children than the previous years and put them in the embrace of knowledge and culture. Furthermore, in 1984-1985 a number of schools which were inactive were reactivated.

9597

CSO: 4665/81

9 July 1985

AFGHANISTAN

LANDOWNERS ASSISTED IN IRRIGATION

Kabul HEYWAD in Dari 6 Apr 85 p 4

[Text] The Kabul Province Irrigation and Water Resources Department provided irrigation facilities for over 26,000 hectares of land last year.

During the same period, both on a lump sum basis and on a daily wage basis with the material assistance of farmers committees and water users the cleaning of 32 canals with a total length of 106 kilometers in the districts of Deh Sabz, Bagrami, Chahar Asiab, Mir Bachah Kut, Sarubi and Paghman with a total volume of 13,672 cubic meters was carried out. All these services in irrigation and crop harvesting to the aforementioned regions' farmers was termed unparalleled. A source at the Kabul Province Irrigation and Water Resources Department reports that along-side all these actions, firing of the bricks of the exit canal from Qarghah Dam was started last year in order to reduce water losses during the transfer from the Qarghah Dam reservoir to Badambagh. So far more than 90 percent of this work has been done.

Last year more than 6,280,000 cubic meters of water were distributed to farmers and other Kabul citizens for their comfort and peace of mind.

The source added that during the implementation of the democratic land and water reforms, irrigation representatives in the districts of Kabul Province established water rights for the land deeds of 3,245 families. Furthermore the headwater dams of Hadkhayl and Polecharkhi were given basic repairs and brick-firing. The aforementioned region's farmers, who made use of the brick-firing of the headwater dams in the irrigation of their crops and in a better harvest, have expressed their appreciation to the revolutionary government.

9597

CSO: 4665/83

9 July 1985

AFGHANISTAN

AGRICULTURE SAID TO INCREASE NATIONAL ECONOMY

Kabul ANIS in Dari 11 Mar 85 p 2

[Text] The Sawr revolution, particularly its new stage, liberated the vast masses of our toiling farmers from under the iron heels of the feudalists, and it has created favorable conditions for solidarity in the National Fatherland Front for all the toiling, democratic and progressive strata, including workers, farmers, the clergy, businessmen, scientists, intellectuals, officials, the national capitalists and all the patriotic forces. It has mobilized them one by one to build a new and prosperous society free of exploitation.

The PDPA has taken long, firm and steady steps on the path towards achieving these sacred goals. One of the party's steady steps toward the happiness and welfare of the largest toiling class in the country, namely the farmers, was the issuance of Order No 8 by the Revolutionary Council and its first Attachment.

This order inflicted a fatal blow to oppressive feudal relations in the country, and shook the very foundations of large landholdings by an exploitative minority from the roots.

As can be observed, in the process of the country's economic and social growth, the party and the DRA government are giving their serious attention to the solution of the land problem as the major goal of the national democratic Sawr revolution.

The PDPA and the DRA government, in order to eliminate economic backwardness and expedite the growth of agriculture, stock-raising and the creation of an advanced national economy, has put at the head of its general goals "the abolition of all the remnants of feudal and prefeudal relations, the complete implementation of democratic land reforms by abolishing large feudal land holdings, the distribution of land to farm hands and farmers without land or with small holdings, raising the level of the national economy, and enhancing the level of the people's material and cultural life."

Since the farmers are the most numerous social force in the country, the solution of the land problem not only makes its presence known as a

significant social and economic problem, but the implementation of the democratic land and water reforms as an important political issue in the total success of the revolution has a constructive and determinative role.

The leadership of the PDPA and the DRA government believe that "the land is the people's wealth, and therefore the government will adopt effective policies to cultivate new lands, expand the area under cultivation and create new systems that will not only improve the supply of foodstuffs needed by the people and materials for industry, but will also provide the benefits of the experience of large-scale mechanized production to the toilers."

Having the significant role of the agricultural sector in the national economy in view, the PDPA has given serious attention to its great importance to the growth, elevation and evolution of a rebuilt Afghanistan. It has adopted all the necessary policies aimed at raising the level of agricultural production and improving living conditions for the country's farmers, and will be implementing them according to an organized plan.

Among the policies which will be implemented at the appropriate time: the persistent continued implementation of land reforms in accordance with the principles of social justice and revolutionary legality which relate to the distribution and use of land and water and the incomes gained from agricultural crops produced during these reforms.

The granting of loans and provision of technical, scientific and veterinary assistance to farmers to raise the level of agricultural and stock production, the implementation of new methods to advance agriculture, provision of extensive resources to the toiling farmers aimed at helping them to obtain agricultural machinery, chemical fertilizer, improved seeds and improved stock breeds by means of creating an extensive network of workshops, agricultural machinery centers, and centers for veterinary services, plant protection and battle against plant blights and diseases.

Comprehensive assistance to strengthen existing cooperatives and creation of new cooperatives. The preparation and sale of the produce of farmers and toiling nomads on the basis of totally voluntary membership in a way that provides a prospect of the advance of agricultural affairs and attracting farmers into social activities.

In order to prevent mistakes in regards to settling land ownership and agricultural water use problems, consideration of accepted customs, the water law and regulations on water use in agriculture has been implemented as one of the most important parts of land reforms. At present, in the most remote spots of the country, committees and farmers councils have been organized which are themselves administering and organizing their own agricultural destiny.

9597

CSO: 4665/71

AFGHANISTAN

HEALTH CLINICS PROVIDE SERVICE TO MOTHERS, CHILDREN

Kabul HEYWAD in Dari 10 Mar 85 p 2

[Text] The Infant and Maternal Health Department has the duty to strive towards reducing the loss of infants and mothers. Fortunately, after the victory of the glorious Sawr revolution, particularly its new and evolutionary phase, this department inaugurated 20 health clinics in the city of Kabul which are busy providing service to infants and mothers. Speaking to HEYWAD's correspondent, the chief of the Infant and Maternal Health Department noted the above points and said:

During pregnancy these clinics conduct examinations and registration of mothers. Infant nutrition, dentistry, health instruction and vaccination branches are active besides the family guidance branch.

Furthermore, it is open everyday from 0830 hours until 1530 hours except for a break, and from 1530 hours to 1730 hours after that. The aforementioned said: Compared to the prerevolutionary period, the mortality rate of mothers and infants has declined, particularly that due to childhood diseases which constantly endangered the lives of infants. Our institution has carried out a large campaign so that in Kabul and other regions health clinics are now vaccinating infants free of charge against tuberculosis, measles, black cough and tetanus. Vaccinations are also being given against polio.

Concerning the implementation of this year's plan, the aforementioned stated: This year our department implemented the annual plan within several months, and we are striving to accomplish other large tasks above and beyond the plan.

In the maternity clinics, 56,657 children have been ewly registered, and 157,515 children have been treated. Furthermore, 22,233 mothers have been treated for women diseases [gyniatrics]. Also 2,903 midwives have recently registered, and 313,952 children and mothers have been protected against various diseases. Clinic laboratories have also carried out laboratory tests on 30,297 persons. As for Kabul's hospitals, I must add that during the nine months of the current year 16,411 women contacted the Malali maternity ward and 15,372 of them gave birth and were released afterward, while 5,250 persons were examined and treated in the women's branch of the hospital.

In the Child Health Institute, 12,582 sick children were treated and 92,851 persons are newly registered. Furthermore 41,579 children were vaccinated in the children's ward and protected against diseases. In total 108,243 children were examined and treated.

The speaker said: We plan to set up 20 clinics in the capital and 20 clinics in the provinces next year so that by the end of 1364 [1985-1986] there will be 1,364 clinics active in the capital and the provinces. We have inaugurated 29 health centers in Kabul schools this year. Our plan calls for inaugurating another 20 health centers in schools so that they can become a good source of service to our citizens. We also plan to open a 200-bed hospital to cure childbirth-related diseases of mothers.

9597

CSO: 4665/71

AFGHANISTAN

BRIEFS

FARM COOPERATIVES--The DRA Farmers' Cooperatives Union, which has always worked for the people's welfare and comfort, has provided stores selling goods needed by the people in every corner of the city of Kabul and the country's provinces in order to meet the people's primary needs. Goods are offered at prices lower than those of the bazaar. On this basis a store selling vegetables and fruits was recently activated in Microrayon III, in which various vegetables and fruits are sold at prices 40 percent less than the market price. The stores offer 200 sirs of potatoes, 300 sirs of oinions and 40 sirs of carrots to the citizens daily. [1 sir = 75 grams].

An informed source said: This store was created with the private capital of the Farmers' Cooperatives Union. In light of the protocol concluded with the State, City and Province Farmers' Union, the materials which it purchases are stored in the storehouses of the Farmers' Cooperatives Union and are delivered according to the daily store's need. [Text] [Kabul ANIS in Dari 15 Apr 85 p 4] 9597

CSO: 4665/82

INDIA

DELHI'S PROBLEMS IN COPING WITH CIVIL UNREST NOTED

Madras THE HINDU in English 15 Apr 85 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, April 24.

The Political Affairs Committee of the Cabinet, which met today to review the Gujarat and Punjab situations, decided to tighten the internal security system to meet the growing threat of violent agitations in different States.

For the first time, the Prime Minister, Mr. Rajiv Gandhi, has spoken of internal security problems the country was facing in the context of the external dangers to India in the wake of the super power rivalries in the region.

Addressing the bi-annual Army Commanders' conference, he said that the country's security systems, both internal and external, were under pressure, calling for extra vigilance on the part of the Government.

But as the president of the ruling Congress (I), Mr. Gandhi is not unaware that at least a part of the trouble in Gujarat can be traced to the factional politics of the party in the State, where the opponents of the Chief Minister are known to have been privately encouraging the anti-reservation agitation to embarrass him.

In more normal circumstances, the Prime Minister would have taken strong steps to end this Congress (I) in-fighting in Gujarat by inducting Mr. Madhav Sinh Solanki into the Central Cabinet, installing a new Chief Minister and taking disciplinary action against the dissidents if it was established that they have had a hand in this agitation. But he is obliged to go slow and back Mr. Solanki for the present, to avoid the impression of any weakness on the part of the Government.

Classic dilemma: So the Centre is finding itself caught up inextricably in the classic dilemma of deploring the squabbles of the Congress (I) in Gujarat and yet being unable to do anything about it, because of the mistaken notion that any action taken at this time to shake up the party is bound to provide encouragement to the Opposition to stir up further trouble in the State.

A more disquieting development that has caused serious concern in Delhi has been the behaviour of the Gujarat police. The Union Government has no clear idea, yet, whether the misbehaviour of the police in Ahmedabad, Baroda and other places is a local aberration or something symptomatic of deeper frustrations afflicting the morale of the police everywhere, making them indulge in excesses under the slightest provocation.

This aspect is being looked into by the Home Minister for taking corrective action, in time, to avert the dangers of police agitations that took place in many parts of the country during the Janata rule. But, meanwhile, the Government is not happy with its increasing reliance on the army for coping with civil unrest in many States.

Misjudged mood: The Government now realises that it has misjudged the mood of the Sikhs, who continue to suffer from a feeling of alienation, in imagining that a few well-meaning steps would lead to a positive response

from the more modern sections. The piecemeal approach of making a few selective concessions as a prelude to further measures has not helped in putting the hardliners on the defensive and compelling them to negotiate a settlement.

Sri Lanka issue: The Centre is no less concerned about the threat of an agitation in Tamil Nadu by the DMK to compel it to adopt a tougher stand on the Sri Lanka situation. It has yet to make its mind where exactly to draw the dividing line between dealing firmly with the threatened agitation and acting more purposefully in tackling the Sri Lanka problem to take the sting out of the DMK accusations that the Centre was not doing enough to bring about a satisfactory settlement.

Mounting pressures: At the highest level of the Government, the Prime Minister and his senior colleagues are quite conscious of the pressures that are building up in the country and

the limitations of the Central and State administrations in coping with them. But, they have not been able to come forward with an integrated approach to the internal security problems based on a combination of greater sensitivity to public feelings, a capacity to refrain from ill-advised actions that are bound to provoke resentment and a determination to maintain law and order without pondering to the whims of political malcontents that resort to agitations at the slightest provocation to exert pressures on the Government.

The Political Affairs Committee which meets frequently to review such situations tends to deal with them compartmentally without taking an overview of the wider inter-action of these developments. The result is that not much efforts is made to get down to the root causes of these turmoils which are much deeper than is reflected superficially by the surface phenomenon of recurring agitations.

CSO: 4600/1626

INDIA

GOVERNMENT CONCERNED OVER SPREADING VIOLENCE

Madras THE HINDU in English 14 Apr 85 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, April 23.

The Central Government is taking a serious view of the sharp increase in the incidence of violence in several parts of the country, painfully highlighted by the sad sequence of events in Gujarat culminating in a shocking manifestation of police vandalism.

The tragic upheaval in Gujarat is not seen as an isolated aberration but regarded with grave apprehension as something symptomatic of a deeper dissonance in the country that keeps erupting into convulsive spasms of violence.

Opposite effect: The Centre took a calculated risk in releasing the detained Akali leaders and lifting the ban on the Sikh Students Federation, hoping that in the changed atmosphere they would respond better to any concessions made for arriving at an early settlement of the Punjab problem. But it has realised to its great dismay that it has had just the opposite effect in making the hardliners among the Akalis imagine that they can extract more by adopting an intransigent attitude.

The Prime Minister, Mr. Rajiv Gandhi, is understandably quite concerned over the cumulative impact on the minds of the people of the worsening caste and communal feuds, the increasing tendency of political parties to take to the streets at the slightest provocation, the inability of the ruling Congress (I) to provide purposeful leadership at the lower levels and the general decline in the quality of the administration.

Crisis atmosphere: There is something that is poignantly missing in the Indian psyche that makes the people imagine that they are obliged to live in a crisis atmosphere all the time, that things are going wrong constantly somewhere or the other, and the consequent drift in the country's life has been generating a deep ferment threatening the unity and sapping the spirit of the nation. It is not possible otherwise to rationalise the appalling spectacle of an anti-reservation agitation assuming the disquieting character of an inter-caste conflict and developing overnight into a communal riot before de-

generating further into an ugly confrontation between anti-social elements and the State Government and finally a clash between the press and the police.

The Akalis in Punjab and the student leaders in Assam are apparently imagining that time is on their side, that they have nothing to lose by prolonging the present stalemate in the hope of striking better deals later when the general atmosphere in the country starts worsening in the wake of political agitations and economic pressures. The militants in the Opposition parties also have been toying with the idea of stirring up labour unrest, exploiting social disparities, inflaming regional passions, fomenting student trouble and creating an anti-government atmosphere to transform the next few months into a summer of discontent.

The Centre is aware of the grave consequences of the interaction of these negative factors that assume a disturbing dimension in the absence of a matching determination by those in power in the States to cope with such challenges by redressing the legitimate grievances of the people in good time. But the present tendency in Delhi is to leave everything to the Prime Minister as though he alone can come forward with a magic solution to every problem.

Deplorable paralysis: There is thus a deplorable paralysis of activity at the higher levels of the government in Delhi with nobody else taking due responsibility for coping with difficult situations. The excessive preoccupation with foreign policy pursuits has also tended to divert attention from pressing domestic problems.

The Prime Minister's advisers who enjoy his confidence realise that Mr. Rajiv Gandhi will have to assert his authority and act with greater firmness to end the present drift and cross-purpose in the country's politics and governance. The process might involve some changes at the higher levels of the government at the Centre and perhaps also in the States.

9 July 1985

INDIA

ANALYSTS WRITE ON INDIAN RELATIONS WITH U.S.

Need for Change Noted

Bombay THE TIMES OF INDIA in English 24 Apr 85 p 8

[Article by Girilal Jain]

[Text] In discussions of Indo-U.S. relations, one point generally tends to get ignored, in our case because we are not sufficiently sensitive to consideration of power and in theirs because the shrewder among them do not wish to spell out such considerations. The point is that there were three potential successors to the departing British in South Asia--not only India and Pakistan but also the United States.

Implicit in this is another point which is that none of the three could fully inherit the British mantle. Pakistan's case is obvious and need not be discussed at any length. It was a breakaway state which had inherited less than one-fourth of the subcontinent and its two wings were separated by 1,000 miles of Indian territory. As it happened, most of undivided India's industries, including defence establishments, were located in what remained India.

India was obviously much better placed to step into Britain's place in the region despite the handicap resulting from partition and the communal holocaust that preceded, accompanied and followed independence. But it could not have excluded the United States which had emerged as new formidable imperial power and was determined to move into a position of influence, if not of dominance, in all former West European colonies in Asia.

It is futile for our purpose to debate whether or not the U.S. policy would have taken the expansionist turn it did soon after World War II if Stalin had not behaved the way he did in Eastern Europe. We are not concerned whether America was driven towards a search for world-wide hegemony by its capitalist character or by its fear of the Soviet Union or both. We are only interested in the fact that it was so driven.

Thus in fundamental terms divorced from other considerations such as the occupation of Tibet by Communist China, India had two choices--either to assert its independence with the claim to the British mantle implicit in

it, or to come to terms with the United States and hope that Washington would be content with a partnership and not seek hegemony over South Asia.

Again it is not material for us to discuss the ideological considerations which are widely believed to have influenced Mr Nehru in his decision to opt for independence of which neutrality in the cold war was a euphemism. The pertinent question for us is whether as a genuine nationalist, he could have made another decision even if he had not been influenced in the slightest degree by Fabian socialism and some vague Marxist ideas and had not been impressed by the supposed success of the Soviet experiment. The answer surely must be in the negative.

Strangest Irony

Two points are ignored by Mr Nehru's critics. First, that India's freedom struggle flowed out of reform movements which aimed at once at restoration of the country's ancient heritage and its renovation to bring it in accord with a modern society's requirements, and that, therefore, on independence we required above all a measure of disengagement from world conflicts so that we could concentrate on this half-finished task of self-revival and self-renewal. Secondly, that given our preoccupation with our own selves, we could not but opt for a policy of neutrality.

An Indo-U.S. clash could have been avoided if China had not gone communist and if the decline in British power had not been so precipitous. Both conditions had to be fulfilled simultaneously. In the absence of the first development, the U.S. might have looked to China and not to India as an ally in the fight against the Soviet Union. And in the absence of the second, Britain could have successfully pressed its claim to pre-eminent influence in its former colonies and indeed to the management on behalf of the U.S.-led Western alliance of the region from the Mediterranean to the Pacific. But the communists seized power in China and the British had to call in the Americans in Greece, Turkey and Iran soon after the war.

India's preoccupations and compulsion apart, however, the strangest irony of it all was that even the mighty American could not have moved into Britain's place in South Asia. If India had not resisted, Pakistan would have. It would be useful to recall that when the Americans were wooing Mr Nehru in 1949, Mr Liaquat Ali announced his decision to visit Moscow.

The Indian decision to opt for neutrality (independence) was not dependent on the availability of the Soviet Union as a counter-weight to U.S. power. Indeed, up to 1952 Stalin was positively ill-disposed and it was not until 1964, that is after two years of frustrating negotiations with the United States in the wake of the Chinese aggression in 1962, that India turned to the Soviet Union for military supplies. On the contrary, Indo-Soviet friendship as it began to develop in 1955 with Moscow's offer to build a steel plant in our country was contingent on the Soviet incapacity to dominate the region around us.

Decline and Retreat

It is difficult to say whether Mr Nehru saw the matter in this light or whether he allowed his commitment to socialism and predisposition in favour of the Soviet Union to influence his judgment. But if India had to retain its independence, it could have not responded to U.S. overtures because America was truly a superpower capable of and interested in exercising influence around the globe and it could have turned towards the Soviet Union precisely because it was incapable of exercising that kind of power.

The situation has changed in one and a half ways. The one full change is that the United States has ceased to be the kind of power it was in the fifties. President Reagans' rhetoric and military build-up cannot cover up the reality of the decline in the U.S. economic power in relation to others and the accompanying retreat from the ambition and plans to build an economic order under its auspices. The decline and the retreat are inter-related, though it is absurd for the Americans to argue, and the Republicans do, that they cannot make their proper contribution to the World Bank's soft-lending agency, the IDA.

America's main problem is clearly Japan. The Japanese have not only run a \$37 billion trade surplus but a \$6.8 billion one in the field of high technology on which the Americans believe their future rests. They are fretting and fuming but they do not possess a viable policy to cope with this superpower of a different kind. Interestingly enough, they are no longer pressing too hard the old argument that Japan has prospered because it has not had to invest in its defence because they are beginning to be scared of the consequences if Japan decides to go in for a military build-up. Incidentally, it is the recent Japanese investments in India that has at least partly spurred U.S. interest in our country.

Inevitably the U.S. military aid to Pakistan looms large on our horizon. But it should not be allowed to cover up our view of the horizon. Similarly, while it would be wrong to ignore the strength of the U.S. economy and its critical importance for the world economy, we must not miss the fact of the American decline. The Chinese are quite right in proceeding on the assumption that this is a long-term affair and the Americans can no longer expect to dominate the world.

Fluid Situation

The half change referred to earlier relates to the Soviet Union. Its decision to send its troops into Afghanistan has created a dangerous situation for us. It bodes ill for us whatever the outcome of the current struggle.

I call it half a change (perhaps I should call it one-quarter change) because while its military presence in Afghanistan does not yet place the Soviet Union in a position from where it can dominate the surrounding region, this presence could, if it is consolidated, enable Moscow to press

9 July 1985

on Pakistan. In such a contingency, Pakistan could yield to a mix of Soviet blandishments and threats. Two points are notable in this connection.

First, the Soviets have a strong preference for countries which are contiguous to their own and one of their dependency's; Pakistan would be such a country if Soviet power is consolidated in Afghanistan. Secondly, since Pakistan is quite vulnerable by virtue of widespread disaffection in Sind, Baluchistan and potentially in the NWFP as well, its choices in such a contingency will be rather limited. America will certainly not be able to protect it for long.

The opposite possibility must be equally unwelcome to us. A Soviet withdrawal from Afghanistan under pressure mounted from Pakistan under U.S. auspices would destroy the already precarious power balance on which our policy of non-alignment rests. And to be candid, the ideal solution of a Soviet withdrawal following a negotiated settlement is just not on for the simple reason that no one can create a new political structure in Kabul which can be viable independently of external military support.

Quite clearly a resolution either way of the struggle in Afghanistan in the foreseeable future is not on the cards. So this is only a long-term dilemma for us. We are not called upon to tackle it immediately. But the circumstances in which Mr Nehru and his advisers such as Mr Krishna Menon shaped India's foreign policy and in which Mrs Gandhi continued and developed it have changed. It is, therefore, necessary for us to re-examine our approach towards the United States. It too is only half a superpower now, to use Mr Brzezinski's telling description of the Soviet Union. We should not continue to look at the United States through one prism (of its military assistance to Pakistan) and to discuss the world scene in bipolar terms when it has become multipolar, indeed highly fluid.

Basic Contradictions Seen

New Delhi PATRIOT in English 28 May 85 p 4

[Article by C.P. Bhambhri]

[Text]

During the last thirty-eight years, India and the United States have not been able to resolve their fundamental contradictions because the basic premises of foreign policies of these two countries do not have any meeting ground.

India has been involved in building an autonomous democratic political system and a relatively self-reliant economy on the basis of a planned development of the country since Independence. These goals of political economy of India are integrally linked with the foreign pol-

icy of nonalignment and world peace. The basic premise of Indian foreign policy is that decisions on international events are taken by us on our own understanding and perception of the various aspects of international issues.

By following the policy of nonalignment and world peace, India has asserted freedom of action in world affairs. Further, a very significant component of Indian foreign policy is its identification with anti-colonialism and anti-militarism, and this identification with liberation

movements in the Third World has made India an active champion of the struggling masses of Asia, Africa and Latin America against the imperialist countries.

The US foreign policy framework is fundamentally opposed to the Indian foreign policy. The US has global interests which can be achieved by subjugating the Third World for the exploitation of its resources and markets. It actively pursues its global interests by using military power and manipulating regimes of client states in Asia, Africa and Latin America, and its foreign policy comes into serious conflict with a country which refuses to accept a client status.

If a Third World country does not accept a client relationship with the US, all sorts of pressures are exercised by it to destabilise such nation. This is the explanation for basic contradiction between India and the US.

During the last thirty-eight years, India has refused to accept the world view of the US because we have a capacity to form our own world view. India championed the cause of People's Republic of China on all international forums when the US blocked Beijing's right to be seated in the United Nations. India identified with the struggles of the Vietnamese people against US imperialism. While the US supports Israel and the racist regime of South Africa, India supports liberation movements of the Arab and African masses.

On all basic issues of freedom of nations, India has been on the opposite side of the US and this explains US hostility to India. While the US has been busy selling the ideology of anti-communism in world affairs, India has rejected this viewpoint, and as opposed to the US, India has emphasised the right of freedom of the developing nations.

On all major global issues, India and the US have shown basic differences in their perceptions and such differences persist because Indian nationalism is in contradiction with US imperialism.

The US policy-makers completely failed to appreciate the natural identification of the Indian leadership with the newly emerging independent countries. The US wanted to manage and control the affairs of decolonised Asia and Africa, and India wanted to mobilise the emerging independent countries for the cause of world peace and freedom.

The Indian leadership brought Afro-Asian countries to a conference table at Bandung in 1955 so that we could collectively fight for peace and against cold war, while the US leadership intensified its offensive against Afro-Asian countries by involving them in military pacts. The spirit of Bandung conference was contrary to the spirit of US established military pacts in Asia. The Indian leadership viewed Afro-Asian unity as a goal for freedom and peace, the US felt threatened by it and tried to break it by dividing the countries with military pacts.

The essence of the above discussion is that India started its journey as an independent country with a view to defend its own independence. It actively extended support in defence of the freedom of Afro-Asian countries. Such an activist foreign policy of India was totally disapproved by the US whose global interests were likely to be threatened by the growth of spirit of freedom in the Third World.

The fundamental differences between India and the US on the global correlation of forces brought this country into conflict with the latter because the essential material interests of India brought hostility and opposition from the US. Since India was not part of the US cold war strategies, it supported Pakistan on the Kashmir question. Since India was committed to anti-imperialism, the US imperialists censured India on the liberation of Goa.

The US imperialists thought that the Sino-Indian border war in 1962 was an opportunity to extract concessions from India. During those difficult days, the US pressurised India to settle Kashmir issue with Pakistan.

The Anglo-US pressure on India in 1962 was directly against our national position on Kashmir.

The US wanted to exploit the difficult situation and it was used to settle the scores with India. Unfortunately for the US, the Indian leadership recovered from the traumatic experience of 1962 and asserted independence of action and foiled Anglo-US conspiracy to hand over Kashmir to Pakistan.

The so-called supply of arms and spare parts was stopped both to India and Pakistan during Indo-Pak war of 1965. While Pakistan was the aggressor in 1965, India was equated with Pakistan in world forums. During the

liberation struggle of Bangladesh in 1971, the US painted India as the villain of the piece and the ruthless military rulers of Pakistan were supported by the US.

During the 80s, new challenges have been posed by the US militarism to Indian security. The collapse of Shah of Iran in 1978 created anxiety in the US and a new frontline state was needed to defend and promote US strategic and economic interests in the oil-rich South-west Asia. The replacement of Shah of Iran was Pakistan and this brought second cold war nearer our country.

During the 80s, the US is pumping resources to build a militarily powerful Pakistan as a counter to India. The presence of Soviet troops in Afghanistan is a proxy argument because Pakistan in reality is a substitute for the role which Shah of Iran was playing for the US in this region.

Many lobbyists are busy promoting US interests in India. Their current reasoning is that the presence of Soviet soldiers in Afghanistan has led to the deterioration in the strategic environment of India. The evidence of the last four decades disproves the arguments of their lobbyists. The opposition which India experienced from the US during the last four decades precedes the presence of Soviet soldiers in Pakistan.

The divergence of views between India and the US was evident not only in the political and strategic sphere, but in the economic sphere also. The US ridiculed India's efforts to build key industries. It disapproved the transfer of technology for the development of India. The decision to build basic industries in India was considered essential to lay down the foundations of a self-reliant economy. But the US, wanted to impose economic decisions on India. The US leadership sought to decide for India its requirements in the economic field. It failed once again to understand that India was not a client state.

Perhaps it was a new experience for the US imperialists that India had decided to have a steel plant in the public sector. In the field of technology, the Indian experience over the Tarapur Atomic Power Plant (TAPP) has been bitter, because the US had sought to use the committed supply of enriched uranium for dictating conditions to the Indian Government.

Jawaharlal Nehru's first visit as Prime Minister to the US in 1949 convinced him that India could not establish relationship with the US on the basis of equality, reciprocity and mutuality. Similarly, Mrs Indira Gandhi's first visit as Prime Minister to the US convinced her that it would not accept India as a partner in equality. The Prime Ministers of India and all the US Presidents differed on essentials, and this fact is central to the understanding of relationship between these two countries.

The US has dealt with client states which look on world affairs through the US perspective, and India refused to play such a role. The US has pursued its national interests in the Third World by dictating terms to dependent countries. India has refused to be dictated by the US on Kashmir, Goa, Bangladesh, or on the path of economic development.

When the US failed to bully or pressurise India, its scholars and politicians started characterising India as a client state of the Soviet Union. In the Third World, India has a special position as leader of the nonaligned movement and the US policies are opposed and exposed by a large number of nonaligned countries including India, which see the US as an interventionist power.

The allegation levelled against India by the US policy-makers and commentators that it is a client of the USSR or its foreign policy has a tilt towards the USSR is based on lack of understanding of Indo-Soviet relationship. India's nonalignment has never meant a foreign policy of autarchy, it has always meant cooperation based on equality and mutuality.

While the US failed miserably to understand India's desire to be treated as an equal, the Soviet Union positively responded to our view of equality among nations. If India had chosen

to be a client state, the friends of US in India would have succeeded in their goal.

The domestic onslaught on India's foreign policy of nonalignment, as pursued by Jawaharlal Nehru and Indira Gandhi, came from friends of the US in India and the US has an important constituency in Indian middle classes. If the friends of the US in India failed to make India its client state, where are the forces which could succeed in making India a client of the Soviet Union?

The Indo-Soviet friendship is based on equality, mutuality and reciprocity because the Soviet Union identifies itself with national aspirations of the Third World.

Of late, India's strategic environment has seriously deteriorated because President Reagan is pursuing the goal of a second cold war through ruthless militarism. The Indian Ocean has been nuclearised and militarised, and Pakistan is expected to join the nuclear power club with US support.

India and the US are on the opposite sides on the Indian Ocean issue. Indian demand that the Ocean should be a zone of peace, is not acceptable to the US. The US rapid deployment force, its naval presence in the Indian Ocean, its building of Pakistan as a frontline state as a replacement of the Shah of Iran, pose serious threat to the security of India, and we have entered the 80s facing a direct challenge by the US militarists.

India is in contradiction with the US on global issues as well as on the issue of security environment of South Asia. The US has to come to terms with Indian nationalism. It has to understand that India did not win freedom from the British to transfer it to the US masters. The US Government should clearly understand that India wants friends and not masters in international affairs.

9 July 1985

INDIA

GANDHI: INDIA NO GROUND FOR SUPERPOWER RIVALRY

New Delhi PATRIOT in English 25 Apr 85 p 1

[Text]

Prime Minister Rajiv Gandhi has asked Army Commanders to improve strategic analysis so that India can guard against becoming a playground for the super powers.

The security systems, both internal and external, are under pressure and the situation calls for greater vigil, he said.

While the system of intelligence gathering is good, there should be an improvement in sifting and analysis to anticipate contingencies, the Prime Minister said while inaugurating the four-day conference of Army Commanders and Principal Staff Officers in New Delhi on Wednesday.

Mr Gandhi pointed out that efforts made by India to defuse tensions in the neighbourhood had not been entirely successful since the actions of some countries did not match their professions of peace. In the context of super power interest in the region, the Prime Minister said India should be on guard against becoming a playground for their rivalry.

He said Pakistan had increased its conventional capabilities and was trying to develop nuclear weapons. The leaders of Sri Lanka had so far been unable to take a decision to defuse the tense situation prevailing there and efforts in recent months to resolve the border issue with China had yet to make substantial progress.

Mr Gandhi lauded the Army's excellent record in war and in peace time. It had assisted the civil authorities in a commendable way in the restoration of law and order. However, efforts would be made to reduce the involvement of the Army in civilian strife, he said.

He assured the Army that decisions would be taken expeditiously to acquire modern weapons so that the Army had the advantage of the latest in weapons and technology.

The Prime Minister announced that all efforts would be made to induct retiring service personnel in paramilitary and police forces to ensure the welfare of ex-servicemen.

CSO: 4600/1626

9 July 1985

INDIA

REPORTAGE, COMMENT ON TRADE TALKS WITH U.S.

Items Needed, Policy Problems

Bombay THE TIMES OF INDIA in English 15 May 85 p 16

[Article by Tapan Dasgupta]

[Text]

NEW DELHI, May 14.

THE U.S. commerce secretary, Mr. Malcolm Baldrige's visit to India beginning on Thursday may be the first step towards giving a new dimension to Indo-U.S. commercial relations.

The expectation on both sides is that his talks with the Prime Minister, Mr. Rajiv Gandhi, and senior government leaders and officials will pave the way for more durable and fruitful bilateral relations between the two countries, particularly in the field of trade, investment and transfer of technology.

TECHNOLOGY FUND

A memorandum of understanding (MOU) on technology transfer has been already initialled. It is expected that certain snags in the way of formalising the MOU into an agreement will be sorted out during the visit so that the signing ceremony can be performed in Washington during Mr. Gandhi's visit to the United States next month.

What is being contemplated under the proposed agreement is to create an Indo-U.S. technology fund for funding joint R and D projects in this country and facilitating transfer of technology to India. The fund will be piloted by US aid, while the nodal agency will be the Indian Credit and Investment Corporation of India (ICICI).

India is keen on acquiring high-tech in a number of areas in which the United States has a clear edge. These are space research, super computers, satellite technology, lasers, electronics, aero-space industries and military hardware. The country also requires modern technology in some of the traditional industries.

"Snags" in negotiating a science and technology agreement with the U.S. have developed because while the U.S. administration is quite willing to provide technology in traditional industries, it is less enthusiastic about the transfer in high-tech areas.

TECHNOLOGY TRANSFER

There are constraints to technology transfer in strategic areas that are even remotely connected with defence due to U.S. legislative actions. Under the U.S. classification of countries, India is neither rated as an ally nor a very friendly country which alone can be supplied with technology in these sophisticated areas.

One silver lining is that technology is a highly competitive field. It is also, perhaps, being realised by U.S. policy makers that the United States in the coming years will have to depend more and more on its exports of technology since manufactured goods are increasingly being edged out in the international market because of high cost.

Thus, even in high-tech areas U.S. firms may be keen to sell because what is their monopoly today may not be so tomorrow.

But the problem for a country like India has been that the U.S. commercial policy has remained geared to its global security policy. Because of hard economic realities, the U.S. administration may dilute this security concept outside the U.S. security zone for the sake of commercial gains.

It is here that India may score because of the country's vast market and abundant supply of managerial and technical manpower which can be effectively utilised in U.S.-Indian collaborations for exports to third countries.

9 July 1985

The recent changes in India's economic policies backed by administrative reforms and removal of regulations to create a freer atmosphere for the private sector has given confidence to both the U.S. administration and U.S. firms in India.

With regard to Indo-U.S. trade, India had been progressively losing its share in total U.S. imports till 1980. It was 0.75 per cent in 1970, which came down to only 0.46 per cent in 1980, but improved since then slightly.

Even now it is less than 0.86 per cent though a number of developing countries in Asia, Africa and Latin America have increased their exports to that country.

In both 1983 and 1984, India had a surplus balance of trade amounting to U.S. \$ 370 million and U.S. \$ 982 million respectively mainly due to exports of petroleum crude.

India's exports to the U.S. at U.S. \$ 2,551 million in 1984 accounted for 16.5 per cent of its total exports, while imports from the U.S. at U.S. \$ 1569.6 million constituted 13.7 per cent of her total imports. But if the crude exports of U.S.

\$ 678 million are excluded, India's favourable balance of trade is only marginal.

TRADE DIVERSIFIED

What is significant, however, is the diversification in India's exports to the U.S., because the country is exporting non-traditional and manufactured items such as diamonds, readymade garments, leather and leather products, carpets and rugs besides petroleum crude.

The protectionist measures adopted by the U.S. have hit Indian exports. The imposition of countervailing duties and anti-dumping investigations have created uncertainties regarding exports of industrial fasteners, iron castings, leather footwear uppers, and the U.S. controlled carrier Act has adversely affected the Indian shipping industry and shippers.

It is also significant that under the Generalised System of Preference (GSP), introduced in 1976 for a period of 10 years, exports worth U.S. \$ 181 million were admitted duty-free in 1983, out of India's total exports to the U.S. amounting to U.S. \$ 2,190 million.

There is therefore much for India to talk about when Mr. Baldrige visits New Delhi.

Assessment of Baldrige

Madras THE HINDU in English 16 May 85 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, May 15.

The U.S. Secretary of Commerce, Mr. Malcolm Baldrige, who arrived in Delhi today from Beijing on a three-day visit before going to Moscow, said that he would convey to the Prime Minister, Mr. Rajiv Gandhi, the 'strong interest' of President Reagan in Mr. Gandhi's forthcoming visit to Washington.

In a brief statement, he said that he was particularly interested in exploring possibilities of increased trade, investment, and technology transfer between India and the U.S.

The new policy direction of the Government of India, Mr. Baldrige pointed out, should make India's business climate more attractive to American firms to invest in this country in mutual interest. The potential was there for closer economic relations and he hoped that his talks in Delhi would add to the U.S. Government's knowledge of India's 'needs and wants' as he put it.

The U.S. Commerce Secretary, who will be meeting the Prime Minister, Mr. Rajiv Gandhi, the Finance and Commerce Minister, Mr. V. P. Singh, the Industry and Chemicals Minister, Mr. Veerendra Patil, the Deputy Chairman of

the Planning Commission, Dr. Manmohan Singh, and representatives of India's 'growing private sector' during this visit, said: 'This is an India on the threshold of major economic changes which I hope to learn more about during my meetings with them'.

Culmination of many trips: Mr. Baldrige hoped to answer during these talks any ques-

tions that the Government of India might ask concerning U.S. policies to pave the way for increased cooperation. His visit to Delhi comes as a culmination of the many trips made by leading U.S. Congressmen, senior officials and prominent businessmen to India in recent months to assess the policies of the new Government and the degree of its interest in increased cooperation with the U.S. in many spheres including sale of defence equipment.

As an influential member of Mr. Reagan's Cabinet, Mr. Baldrige would be able to simplify the U.S. licensing procedures for technology transf-

er under the agreement already signed by India with the U.S. If he is satisfied that there is enough scope for American participation in India's economic development, he will be briefing Mr. Reagan on the outcome of his talks in Delhi on his return to Washington.

Extraordinary American: Mr. Baldrige is an extraordinary American even by American standards of a boy from the log cabin working his way up the ladder and reaching the top, if not the White House itself, in the mercilessly competitive world of private enterprise. During his boyhood, he worked as a farm hand on several ranches and won several awards on the Rodeo circuit and achieved national fame as a cowboy in the true American tradition, before branching off into big business after a stint of war service.

He joined as chairman and chief executive of a sick American firm, Scovill, Inc. in Waterbury, Connecticut, and within 15 years he transformed it from a financially troubled brass mill into a highly diversified manufacturing combine of consumer and industrial goods with 81

plants operating in the U.S. and 22 abroad. He visited India as Scovill chief to negotiate a collaboration deal with a Calcutta firm.

As Secretary of Commerce in the Reagan administration, he displayed managerial excellence in reducing the department's budget by 30 per cent and administrative personnel by 25 per cent. He has given a new export ethos to the American industry to help generate more export-related jobs and mitigate unemployment.

Key Reagan man: He is also Chairman of President Reagan's Cabinet Council on Commerce and Trade, besides being a member of as many as six of the seven Cabinet Councils and also of the President's core group for economic and budget reforms.

The views of this outstanding American exponent of private enterprise will be heard with respect during his wide ranging discussions in Delhi. He represents not merely a Government but also a new philosophy of managerial expertise in modern development, which is equally valid in both public and private sectors, whether it is a planned economy or a market-oriented one based on competition and not protection.

Analyst on Baldrige Visit

Madras THE HINDU in English 21 May 85 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, May 17.

The U.S. Secretary of Commerce, Mr. Malcolm Baldrige, said today that he had come to India on a "Presidential mission" and he would give Mr. Ronald Reagan a first-hand account of Mr. Rajiv Gandhi's impressive new economic policies to promote trade and attract greater foreign investment.

He concluded his three-day visit to Delhi with a meeting with the Prime Minister this afternoon, followed by a dinner given in his honour by the Finance and Commerce Minister, Mr. V. P. Singh, at which the agreement on implementation procedures of the Memorandum of Understanding (MOU) on transfer of high technology was signed tonight.

Though the Cabinet approved the agreement initialled in Washington in March, spelling out these procedures, there was still some doubt whether it was going to be signed before Mr. Baldrige's departure.

Flurry of activity: At a press conference he addressed earlier today, the U.S. Commerce Secretary said that he was hopeful of signing the implementation procedures tonight, but there was no confirmation from the Indian side until the last moment. This led to a flurry of

activity from the American side to remove the remaining hurdles, if any, since Mr. Baldrige seemed to be keen that this agreement should be signed during his visit.

Sign of relief: So there was an understandable sign of relief when the Foreign Secretary, Mr. Romesh Bhandari, and the U.S. Ambassador, Mr. Harry Barnes, signed the agreement in the presence of Mr. V. P. Singh, Mr. Baldrige and others representing the Indian and the U.S. Governments. The two sides could now move ahead very quickly with technology transfers in agreed spheres which exclude uses for military or nuclear purposes.

The main MOU was initialled by the former Foreign Secretary, Mr. M. K. Rasgotra, and Mr. Barnes, in Delhi in November last after protracted negotiations. It was subsequently signed by them with the approval of the two Governments.

Right of inspection: The procedures for implementation of the MOU were discussed and settled in Washington in March after the U.S. realised that India will not concede the right of inspection to satisfy itself that there is no diversion of sophisticated computers and any other sensitive electronic equipment purchased

9 July 1985

under this agreement for specified uses. But India agreed to associate the U.S. with any investigation that might be made into allegations of such diversion by non-governmental user-organisations.

The U.S. Government wanted that this agreement on procedures which had been initialled should be signed before Mr. Rajiv Gandhi goes to Washington. It is for this reason that Mr. Baldrige expressed an interest in completing this formality during his visit to Delhi.

'No bone to pick with India': At his press conference, Mr. Baldrige said that certain safeguards were necessary in any high technology transfer to avoid its diversion to other nations. "We do not have a bone to pick with India", he said, while pointing an accusing finger at the Soviet Union for engaging in "worldwide industrial espionage".

As he is going to Moscow from Delhi for trade talks with the Soviet Government, his harsh remarks about the dangers of Soviet pilferage of American industrial secrets through third countries sounded rather odd since these are likely to cause an adverse reaction there.

India not singled out: But as a tough talker who uses blunt language to get his message across when he chooses to call a spade a

spade, he had apparently come prepared to make this point to assure India that the U.S. was not trying to single out this country for insisting on these safeguards, since it does the same in its dealings with its Western allies as well, as a matter of abundant precaution.

Otherwise, Mr. Baldrige has been very warm and friendly, sounding eminently reasonable and earnest in his talks with the Indian Ministers and representatives of the private industry which he met to discuss the prospects of increased Indo-American economic cooperation.

PTI reports:

Mr. Baldrige called on the Deputy Chairman of the Planning Commission, Dr. Manmohan Singh, today and had informal exchange of views with him on planning problems, technology transfer and international economic environment.

Dr. Manmohan Singh apprised the U.S. Commerce Secretary of the five per cent growth anticipated in the Seventh Plan and said this would be made possible, among other things, through emphasis on improvement in productivity, both in agriculture and industry, modernisation and technology upgradation in different sectors.

Communist Editorial

New Delhi PATRIOT in English 21 May 85 p 2

[Editorial]

[Text]

An extremely objectionable statement by US Commerce Secretary Malcolm Baldrige at the end of his mission here, which shows up the kind of economic cooperation with India envisaged by Washington, has gone almost totally unnoticed. The worthy standard-bearer of Reaganism, while seeking to project the impression of an American tilt towards this country, is quoted as having demanded an early settlement of the case against the Union Carbide and warned that, if the settlement was "a difficult one", it might slow the flow of US investments into India. This amounts to a brazen acknowledgement of the identity of the interests of official Washington and the US-based multinational corporations. The brazenness of it is the more breathtaking for being exhibited over the case of those charged with a mass killing of such dimensions as the Bhopal gas leak tragedy and in the land where its surviving victims continue to suffer untold after-effects and its consequences cast a shadow on the lives of coming generations. This solicitude for a specimen of the strange cult that does not shy away from human sacrifices at the altar of super-profits is doubly significant. In the immediate instance, it would seem to strengthen what is more than a

suspicion of the industrial disaster being part of the neo-imperialist pursuit of militarism, of the gas leak being one of those grisly chemical warfare experiments. For the future, it spells out the ominous implications of the fulsome US praise of India's "liberalised" economic policies voiced by Mr Baldrige. The message is loud and clear that Washington sees in these policies a "window of opportunity" for the kind of economic and political role it seeks in developing countries. Is the brief now taken up for the Union Carbide, facing legitimate legal action from the Indian Government on behalf of the Bhopal victims, an attempt to ascertain an insolently presumed degree of pliability?

The strings attached to all forms of US economic cooperation with the poor of the world have never been a secret. Instances of the rulers of the "free world" using all of these, including trade, aid, and investment, as weapons are too numerous to recount. The economic squeeze put on revolutionary Nicaragua is a fresh reminder, if one is necessary, about this familiar practice of seekers after global domination. India, too, has had a taste of the same tactics in the Sixties, when a promise of wheat aid was combined with entirely unacceptable pressures, when pro-American apologists openly urged abandonment of "honour" as the only alternative to "hunger". It is national honour, too, that is once again involved in the case against the Union Carbide. The arrogant call from Washington conveyed by Mr Baldrige, to trade it and a fair deal to the victims for more of dubious multinational favours deserves to be rejected unceremoniously. The Union Government's commitment to pursuit of justice in the case cannot be allowed to be weakened by what is essentially a threat despite its verbal embellishments.

The statement should also serve to cure sections of Indian officialdom of their proneness to euphoria over the merest protestations of goodwill from Washington. Expansion of Indo-US economic cooperation, which is an unexceptionable end in itself, cannot be achieved on the basis of terms that infringe upon this nation's sovereignty and ignore its sensitivities and non-negotiable interests. It is certainly impossible, if an imperative condition is tolerance of such crimes against the Indian people as the Union Carbide stands provenly guilty of.

9 July 1985

INDIA

PAPERS REPORT, COMMENT ON POSSIBLE PURCHASE OF U.S. ARMS

G.K. Reddy Commentary

Madras THE HINDU in English 26 Apr 85 p 9

[Article by G.K. Reddy]

[Text]

NEW DELHI, April 25.

The United States is trying to establish a limited arms sales relationship with India to soothe its ruffled feelings over the continued induction of more and more sophisticated weapon systems into Pakistan adversely affecting the military balance in the sub-continent.

The Under Secretary of Defence for policy, Mr. Fred Charles Ikle, is arriving in Delhi on May 1 on a three-day visit for talks with senior officials of the Defence and External Affairs Ministries on the subject.

A week later the Secretary of U.S. Air Force, Mr. Verne Orr, will arrive on a similar mission to assess India's requirements, if the two Governments are able to agree at the political level on the sale of certain categories of American arms for India's defence.

These visits by two senior pentagon officials are taking place in May, before the Prime Minister, Mr. Rajiv Gandhi goes to Washington in June, quite independently in the impending trip of the U.S. Secretary of Commerce, Mr. Malcolm Baldrige, to explore the prospects for increased trade and industrial collaboration.

Bait: The U.S. move to sell limited quantities of defence equipment is not aimed at balancing the military aid to Pakistan, but merely taking the sting out of the Indian complaint that it was endangering the country's security by arming a neighbour that had misused American weapons against it in the past. The Defence and State Department experts in Washington also want to use this offer as a bait to reduce India's increasing dependence on the Soviet Union for its defence requirements.

After her return to power in 1980, the former Prime Minister, Mrs. Indira Gandhi, wanted to buy some arms from the U.S. as part of her policy of diversification. The U.S. was approached for the sale of 200 pieces of 155-mm Howitzers and 2,000 units of Tow anti-tank missiles, but the talks broke down over the U.S. insistence on retaining the right to cancel the agreement at any time and deny further supplies of spares and ammunition.

The then Defence Secretary, Mr. K. P. A. Menon, who went to Washington to finalise the two deals, was asked to call off the negotiations when the U.S. refused to agree to licensed production of these Howitzers and anti-tank missiles. From then on there have been no worthwhile talks between India and the U.S. on defence purchases, until the two sides started exploring the possibilities of sale of C-130 military transport planes, engines for aircraft and several other items on mutually acceptable terms.

Significant: It is quite significant that the U.S. Government considers that a stage has now been reached when it is worthwhile sending two senior Pentagon functionaries to Delhi to carry forward this dialogue before Mr. Rajiv Gandhi goes to Washington. But it is not known whether the U.S. is prepared to reopen the Howitzer and Tow missile deals to attract India to establish an arms purchase relationship without attaching one-sided conditions.

9 July 1985

The annual report of the Minister of Defence released on April 16 talked of the grave threat posed by Pakistan's acquisition of American weapon systems and also its relentless efforts to achieve nuclear capability in the not too distant future. The report referred to the U.S. commitment to upgrade the F-16 aircraft supplied to Pakistan to incorporate the latest advances on a continual basis during the operational life of these aircraft.

There was also a mention in the report of the U.S. supply to Pakistan of improved Tow anti-tank missiles, the Harpoon missiles for naval warfare, the Vulcan Phalanx air defence equipment, the Mohawk battlefield surveillance aircraft and the Hawkeye airborne early warning systems that are far beyond its legitimate defence requirements.

Meanwhile, the U.S. and India are taking steps to complete the remaining formalities for signing the Memorandum of Understanding (MOU) on transfer of high technology before Mr. Gandhi's visit to Washington. The MOU

was initialled by the former Foreign Secretary, Mr. M. K. Rasgotra, and the U.S. Ambassador, Mr. Harry Barnes, in November last year in Delhi. The accompanying protocol on agreed procedures for regulating the transfer of technology was initialled last month in Washington.

But this MOU has nothing to do with sale of arms or transfer of military technology which are guided by an entirely different set of agreements. These accords have to be signed separately on a case by case basis to comply with U.S. regulations.

Soviet suspicion: The Soviet Embassy here will naturally follow the visits of Mr. Ikle and Mr. Orr closely to see how far India would go in establishing even a token arms sales relationship with the U.S. consistent with the stand it has hitherto taken on the question of American military aid to Pakistan. The Russians naturally suspect a calculated political move on the part of the U.S. to disturb the increasing Indian dependence on the Soviet Union for its defence equipment.

Report on Pentagon List

Bombay THE TIMES OF INDIA in English 29 Apr 85 p 1

[Article by J.N. Parimoo]

[Text] Washington, April 28--A list of 80 sensitive defence items of India's interest has emerged following a Pentagon review of the hurdles in the way of the United States arms sales to Delhi, according to a source.

As a result of the three-day review made by the American undersecretary of defence, Dr Ikle, considered a friend of India, and senior officers of the various wings of his department, the U.S. might offer many of these sensitive items for sale.

Dr Ikle is expected to explain to the Indian defence ministry the terms on which these weapons could be sold when he visits Delhi this week.

A Pentagon specialist on South Asian strategy has already gone to Delhi to prepare the ground for the important Ikle visit. If the mission succeeds, the defence secretary, Mr Caspar Weinberger, may pay a follow-up visit.

Optimists believe that "if things go well in Delhi," an agreement on American arms supplies could become the high point of the Prime Minister, Mr Rajiv Gandhi's visit here in June.

The Ikle mission has the backing of a powerful group of Republican senators who believe that the best way to build a durable, close relationship with India is to forge an arms supplies link. Some of these senators hail from areas where the arms needed by India are being manufactured.

The senators have been working for a U.S.-India arms supply relationship for well over one year and a half now. As a result of their efforts, marginal changes have been made in the U.S. export law to enable American arms-makers to strike direct deals with countries such as India in certain specified areas of weaponry.

The senators believe that the defence establishment in Delhi favours purchase of American weapons, particularly artillery-related technology, combat helicopters, a wide variety of missiles and surveillance equipment. They think that in the past, proposals for such purchases were turned down at the highest level of decision-making here, mainly on political grounds. Therefore, the review was also made at the top level of the US defence department last week.

Besides, Mr Gandhi is seen here as a more pragmatic leader who might not like to overrule his defence analysts and experts.

Dr Ikle might carry in his bag proposals such as supply of infra-red night sights needed for Tow missiles, stabilisers for tanks, some sensitive tank equipment and combat helicopters.

The offer might also include one or two transport planes, the C130s, which India wants for its Antarctic missions. The Americans had suspected that India might use the planes for surveillance purposes.

In 1979-80, India sought 3,600 American Tow missiles and 297 howitzers. Both the weapons were test-fired in India and approved. Even letters of offer were drafted. But at the last moment, the Indian negotiators were dismayed to find that the Americans were not willing to give them infra-red night sights for the missiles, though the sale and co-production of the weapon in India was agreed upon. The negotiations broke down and India refused to sign the contract.

The U.S. has since produced an improved version of the Tow and already sold more than 2,000 of them to Pakistan, all fitted with infra-red night sights. A further improvement in the missile was effected early this year. Half of the sale to Pakistan contained the improved version.

Only last month an Indian request for a remote-control land mine was rejected out of hand by the Pentagon. The technology involved was 15 years old and there could be no reasonable fear of diversion to other countries.

Some months earlier, Indian probing for a machine-gun (again no high technology was involved) received discouraging response from the Americans. If there is a change of heart at the policy-making level, it has not percolated yet to the levels in the Pentagon which routinely handles requests from India.

But while they will learn to live with it if only because they have no choice, it will be naive for us to believe that the United States is just another arms dealer. It is not. It delivers weapons in pursuit of certain strategic objectives. It does not always achieve its goals. The Indian set up certainly is in any case too sophisticated to subserve American ends. After all, despite two decades of military purchases from the Soviet Union, it has not served Soviet purposes whatever its critics in the United States and elsewhere might say. Even so, it is necessary to know what the U.S. strategic objectives are.

While it might be tempting to rush to the conclusion that the U.S. is wanting to supplant the Soviet Union and make India dependent on itself, we should resist it. American policy-makers must have a very poor opinion of their Indian counterparts, including Prime Minister Rajiv Gandhi, to believe that New Delhi can ever wish and agree to fall into such a trap. The Soviet Union is irreplaceable as a major source of military supplies for our country. Its equipment is much cheaper even if somewhat less sophisticated and no other country can possibly match its terms in respect of the interest rate, the period of repayment and the form of repayment. Americans should be realistic enough to know that much. As far as we can see, the U.S. can only supplement Soviet supplies. It cannot replace them. In plain terms, Indo-Soviet friendship is given and will remain given even as Americans try to improve their own leverage in our country.

This formulation can lead itself to the misinterpretation that in our view Americans have to do all the running either because we are so well placed or because they have wronged us by arming Pakistan or both. Nothing can be more absurd than that. We are not all that well placed. The United States is our biggest trading partner; it can be a source of the latest technology which we need; the Soviet Union has fallen behind, some experts say by a decade in this field with some consequences for the kinds of weapons we need and it alone can supply. And Americans do not suffer from any guilt complex over even a most unjust and highly cruel war in Vietnam and Kampuchea for so many years. We need better understanding with the United States and should explore all possibilities. Only we must not yield to any kind of euphoria. The possibilities might well turn out to be limited.

Even if it is to be assumed that the U.S. is now willing to forge an arms supplies link with India, there are two insurmountable hurdles that negotiators in Delhi and Washington would have to cross. First, the U.S. law provides that the government reserves the right to cancel unilaterally any arms sales contract at any time. Secondly, if the U.S. exercises this right, the government does not guarantee that it will pay the buyers their money back.

One way of crossing these hurdles would be to allow American firms to enter into contracts directly with the Indian buyer.

Perhaps negotiators in Delhi might want to ask of Dr Ikle if the U.S. is willing to offer India all those weapons that have been supplied to Pakistan and on the same terms. That would be the litmus test of an American change of heart.

Soviet Source 'Irreplaceable'

Bombay THE TIMES OF INDIA in English 10 May 85 p 8

[Editorial]

[Text]

The United States has spelled out publicly one reason why it is willing to provide military equipment to India. It has said that this would help reduce India's dependence on the Soviet Union. This is a legitimate enough goal for Washington. Also implicit in U.S. official statements is the belief that the goal is now achievable. This is partly the result of their assessment of Prime Minister Rajiv Gandhi and his broad approach but only partly. India under Mrs. Gandhi too had wanted to diversify its sources of military supplies and had shown interest in certain U.S. weapons. The talks then failed because the Reagan administration was not willing to agree to Indian terms. So if the issue has come up again, it follows that either the United States is now more forthcoming or that India has become less insistent on the transfer of technology, right of production and assurance of uninterrupted supplies. While it is not certain whether this particular obstacle has already been overcome, it will be reasonable to infer that the Americans no longer regard it as insuperable.

The Indian side has been more reticent. Perhaps it feels that it has no reason to make public statements. For, if it can buy mirages from France and Jaguars from Britain it owes no one any explanation for its move to acquire some items from the United States provided, of course, the terms are right. New Delhi has, indeed, never made a secret of its policy of avoiding excessive dependence on one source of supply. The Soviets cannot be expected to like the move. They have not been happy with India's purchases in France, Britain and West Germany and they are bound to be even more unhappy in this case.

India has not occupied a significant place in America's overall strategy, especially since 1971 when President Nixon initiated the process of rapprochement with China. Indeed, U.S. policy-makers downgraded Pakistan as well. But while Pakistan recovered its place in their scheme after the Soviet military intervention in Afghanistan in December 1979, India slipped even further down because Mrs. Gandhi was not prepared to join in a condemnation of the Soviet action. Since on the face of it the objective situation has not changed except that Mrs. Gandhi is no more, it is not possible to see the logic behind the U.S. willingness to sell arms to this country. That there is some logic must clearly be assumed though that logic is not yet clear. It may take us time to work out what it is. But work it out we have to. Meanwhile we have to proceed on the assumption that it would be some time before the overall U.S. strategy unravels itself.

CSO: 4600/1652

INDIA

DEFENSE MINISTER ANSWERS QUESTIONS IN LOK SABHA

Bombay THE TIMES OF INDIA in English 26 Apr 85 p 9

[Text] New Delhi, April 25--India is constantly reassessing its battle environment in the light of the western sources supplying at concessional prices sophisticated weapons systems in the neighbourhood.

This was stated by the defence minister, Mr P.V. Narsimha Rao, in the Lok Sabha while replying to a six hour debate on the demands for grants for his ministry which the house voted later.

He said a perspective plan was being drawn up keeping in mind the long-term requirements in various defence fields, including communications. Earlier, during the debate, he responded to a member's question by seeking the opinion of parliament on India's nuclear option open in view of the reported attempt by neighbours to acquire nuclear capability. Mr H.M. Patel (Janata) wanted to know how the government would face such an eventuality.

Mr Rao said the government would like to elicit opinion of members of both the houses on the issue. He, however, did not refer to it in his reply to the debate.

The defence minister also assured the house that no irreparable damage had been done to the country's defence by the recent espionage scandal. The house had not sought such an assurance, but the minister was provoked by a casual comment by a member who said that the ministry was unduly secretive as far as the members of parliament were concerned, while spies got information readily.

During the debate, the members emphasised the need for greater modernisation of the armed forces, lesser use of these forces for restoring law and order and streamlined procedures for drawal of pensions and more welfare measures for ex-servicemen.

Some members also pleaded for increased allocation for the Navy and for research and development which they said was yet to get its due priority.

The defence minister referred to some "semi-informed" criticism of two defence research projects. He pointed out that the main battle tank, just named "Arjun," was being tried with imported West German engine since the two developments could not be synchronised. However, the development of indigenous engine for this tank for the 'nineties was continuing.

The indigenous engine had developed horse power rating of 500 and the turbo-charger developed to triple its power would have to be tested for 10,000 hours.

Mr Rao justified the development of the light combat aircraft through a separate agency which was working under him. This set-up provided for greater flexibility, he said, and in reply to a question denied that any British national was working in the agency.

A search was also on for a new power pack for the Vijayanta Tank and engines manufactured by Kirloskars and Rolls Royce were being tried. In the first round of trials, both had been found to be inadequate. Fresh trials were being held and if both were found unsatisfactory again, a West German engine would be examined.

Mr Rao listed the variety of equipment developed by the Defence Research and Development Organisation (DRDO) and complimented the scientists working in the organisation.

UNI adds: Mr Rao informed the members that considering the importance of the vast coastline, highly sophisticated submarines were also being manufactured in the Mazagon Docks in Bombay.

He said the sincerity with which the modernisation programme was being pursued could be seen in the allocation of funds. In 1980-81, Rs 621 crores was set aside for the purpose. It was increased to Rs 2,178 crores during 1985-86.

Referring to a suggestion for having a chairman of joint staff committee for greater co-ordination, Mr Rao said no change in the current arrangement was warranted. He added that there was excellent co-operation and co-ordination among the different wings of the forces.

About the National Cadet Corps (NCC), the minister said the Prime Minister, Mr Rajiv Gandhi, had decided to strengthen it and 10,000 additional candidates would be recruited every year.

The government was also taking steps for the welfare and resettlement of ex-servicemen and the recommendations of the high-powered committee in this regard were being examined.

CSO: 4600/1619

9 July 1985

INDIA

GANDHI'S INTERVIEW WITH ISLAMABAD DAILY REPORTED

Bombay THE TIMES OF INDIA in English 26 Apr 85 p 9

[Text] New Delhi, April 25 (UNI)--The Prime Minister, Mr Rajiv Gandhi, today urged Pakistan to stop acquiring highly-sophisticated and offensive weapons and respond positively to India's fresh initiatives to establish confidence and trust between the two countries.

In an interview to "THE MUSLIM," an English daily published from Islamabad, Mr Gandhi expressed serious concern at Pakistan's reported nuclear-weapon programme.

Answering a wide-range of questions on his government's foreign policy, Mr Gandhi gave a categorical assurance that India had no designs against any of its neighbours, especially Pakistan. "We would not like to see a dismembered, weak country bordering us," he added.

Mr Gandhi said: "What is important is accelerated normalisation of relations between us, to which we attach very high priority."

He said: "We have made several suggestions for improving relations, hoping there would be a positive response by Pakistan" at the forthcoming ministerial meeting of the joint commission.

Mr Gandhi pointed out that while the importance of the talks on the proposed no-war pact and the friendship treaty could not be reduced "we should first bring about a sort of de-escalation."

Suggesting a step-by-step approach for normalisation, Mr Gandhi said "first we have to establish confidence without which the rest becomes meaningless."

Mr Gandhi had no doubt that a "good relationship between us" would transform the dangerous security environment in this region and help thwart the machinations of outside powers.

"It would be an example to the world," he added.

He recalled that both countries had agreed in Simla 13 years ago, to eschew the use of force in settling bilateral issues.

Reiterating that India regarded Jammu and Kashmir as an integral part of this country, he said: "When the issue can be discussed fruitfully, the Simla agreement will provide the required framework."

Mr Gandhi said India believed that the only outstanding issue was the vacation of territory occupied by Pakistan.

Mr Gandhi underscored the need for total non-interference in the internal affairs of a country, sincerity in seeking rapprochement and a common desire to reduce tension in this region. He referred to several suggestions made by India to improve ties with Pakistan.

On Pakistan's nuclear programme, Mr Gandhi stressed that he had never subscribed to the view that "terror," balanced or otherwise, could stabilise anything.

He cautioned against a nuclear arms race in the Indian subcontinent, saying it would only subject both the peoples "to the worst fate on earth."

It was precisely for this reason that India had campaigned both within the non-aligned movement and outside for nuclear disarmament, he said.

Question: How does India view the recent political developments in Pakistan? Does it think that civilianisation in Pakistan will help the process of normalisation?

Mr Gandhi: We have always believed in the sovereign right of every state and people to determine their form of government. We would not presume to comment upon the internal affairs of another country.

On Afghanistan, Mr Gandhi said India had always favoured a negotiated political settlement and had been in touch with a number of countries, including those most directly concerned with the Afghan problem.

About the general trend in South Asia, he did not think centrifugal forces were sought to be strengthened.

"The developments in South Asia, like the problem of Sikhs in India and Tamil minority in Sri Lanka, have their origin entirely in divergent circumstances."

He said the Punjab problem was fundamentally different from the ethnic crisis in Sri Lanka. "The Sikhs are equal citizens in our country and have never at any time been discriminated against in any field of activity."

He was confident that a satisfactory solution would soon emerge in Punjab within the country's democratic framework.

On the Iran-Iraq war, Mr Gandhi said it was difficult to foresee the ultimate scenario for ending the protracted conflict. "We are persevering in exploring all avenues for bringing this tragic conflict to an end," he said.

Mr Gandhi said that "tangible progress" must take place for normalisation of relations between India and Pakistan to facilitate a full-fledged summit meeting between him and President Zia.

CSO: 4600/1619

INDIA

ANALYST WRITES ON SHORTCOMINGS OF CABINET

Madras THE HINDU in English 28 Apr 85 p 2

[Article by G.K. Reddy]

[Text]

IN moments of anguish and exasperation, when people reacted unpredictably in a wayward manner, swayed by inflamed passions in the face of grave provocation or blind prejudice, Nehru used to say that India as a nation suffered from a strange split personality that defied all rational explanation. He was dismayed and pained at the appalling spectacle of a people capable of great compassion and cruelty, humility and arrogance, knowledge and ignorance, pride and prejudice, revelling in their contradictions.

As her father's successor, Indira Gandhi too was no less perplexed by the strange impulses of the Indian people that prompted them often to resort to senseless violence with self-destructive fury unmindful of the wider consequences. But she generally kept her thoughts to herself, without thinking aloud as her father did, wondering why they tended to overreact to the relatively less infuriating events, while putting up meekly with much more serious affronts. As a hard-headed politician who was not easily influenced by philosophical considerations in moments of political compulsions, she tried to take advantage of the country's split personality to mould public opinion as she wanted after it had run out of initial resentment.

Drawing a line

It was her unfailing capacity to ride a storm that made Indira Gandhi a master of her country's imperfections with an uncanny ability for crisis management. In the end she failed tragically to tame the tiger and paid the supreme price for making a bold bid to curb violence in Punjab after prolonged vacillation. But her brutal assassination left the shocked nation wondering what else she could have done in those terrible circumstances, when a few thousand demented men with their minds warped by a

narrow sectarian cult were bent on killing innocents to terrorise people and compel those in authority to submit to their dictates at the point of the gun.

But the question is where should the head of a government draw a line in making it abundantly clear to all concerned thus far and no farther in dealing with such situations. It has been argued by some experts on public administration that there is no special virtue in attempting to settle an intractable problem before it is ripe for a solution. Any premature move to appease those who choose to confront the Government with threats of agitation, so the argument runs, would only encourage them to step up their demands with threats of a further intensification of their campaign. One cannot afford also to keep on vacillating in the name of waiting for a more opportune moment to come to grips with such problems, with all the attendant hazards of being mistaken for pusillanimity in the absence of greater clarity about the intentions of the Government or limits to its tolerance.

Refreshing break

As a young Prime Minister who has been catapulted suddenly into his pivotal position in the most traumatic circumstances, Mr. Rajiv Gandhi embarked on his onerous responsibilities with tremendous goodwill that brought him a massive mandate. He has succeeded in impressing his admirers and critics alike as a product of a new generation with a technological vision, as one who is inclined to look forward more hopefully to the future rather than brood over past mistakes to shed his own inhibitions. The people responded enthusiastically to his promise of a refreshing break with the hangovers of the past with a combination of continu-

ity and change, expecting that he would be able to come forward with imaginative initiatives for resolving complex problems like Punjab and Assam.

His pledge to give the country a clean, efficient and responsive government made a profound impact on the minds of the people, but before he could settle down to the tasks of governance he has been faced with much more difficult issues like the Gujarat crisis and renewed inter-caste feuds and communal tensions. It is not easy for any government to tackle all such problems all at once, but he has done whatever he can in this short time to create a feeling that he is not looking around for alibis to justify inaction. If he has not yet been able to improve the quality of his government, it is because of the many limitations he inherited that come in the way of ushering in a more efficient Cabinet system in place of the highly personalised dispensation that renders him accountable for actions for which he is not even remotely responsible in many cases.

The fact that he continues to function simultaneously as Prime Minister and Party President tends to perpetuate the concentration of all power at one nodal point at which it is almost impossible for Mr. Rajiv Gandhi to exercise complete control all the time to prevent possible misuses. The present haphazard allocation of portfolios and the inexplicable delay in filling the vacancies in the Cabinet have come in the way of greater cohesion in the functioning of the Government.

At the Secretariat level too, the chain of command has been disturbed by the abrupt changes in the Prime Minister's establishment. The morale of the higher bureaucracy has also been affected to some extent by the sweeping transfers made without any particular purpose other than making way for promoting a few promising officers to key positions.

But the new system of government at the Centre has not yet meshed into a more efficient pattern capable of better performance. As a young Prime Minister, Mr. Rajiv Gandhi is quite considerate towards his senior colleagues and consults them more often than his mother did in her time. Unfortunately, the senior Ministers do not feel reassured enough to offer their candid advice without anticipating his inclinations and adjusting their views accordingly to keep in step with his thinking on important issues. The Secretaries also do not go out of their way to render advice that might be unpalatable to their Ministers, let alone the Prime Minister as head of the Government.

Secretariat functioning

The functioning of the Prime Minister's Secretariat also has been affected by the inordinate delay in appointing a Principal Secretary, or even a Secretary, in place of Dr. P. C. Alexander who resigned three months ago. As a result, the Prime Minister's Parliamentary Secretary, Mr. Arun Singh, is obliged to function unofficially as a *de facto* Principal Secretary shouldering administrative responsibilities that are outside his domain. There is no other officer

in the Prime Minister's Secretariat who is senior enough to deal with other Ministers and Secretaries with the necessary institutional authority, providing administrative liaison between the Prime Minister and various Ministries and departments of the Government.

As one closest to Mr. Rajiv Gandhi, as a personal confidant, Mr. Arun Singh has been functioning with quiet efficiency adopting a low profile, keeping himself in the background and avoiding political limelight. He is respected for his ability as well as integrity and is not accused by anybody of throwing his weight around or dispensing patronage. But the present *ad hoc* arrangement is unsatisfactory in the sense that as a Parliamentary Secretary he cannot note on files or pass orders other than verbally conveying the Prime Minister's decisions to the persons concerned.

Mr. Arun Singh has certainly taken all care to avoid the impression that he is an extra constitutional power centre. But sooner or later he would be open to the criticism of functioning as such in the absence of proper institutionalisation of his role and responsibilities within the Government. He could be elevated as a full-fledged Minister of State attached to the Prime Minister so that he can officially share some of his burdens which he is doing unofficially at present. It is equally necessary to promote one of the senior officers in the Prime Minister's Secretariat or appoint a new one as a full-fledged

Secretary to the Prime Minister, even if Mr. Rajiv Gandhi does not want to have anybody of the rank of Principal Secretary in his Secretariat.

Integral unit

A Government, least of all, cannot afford to have a split personality. It has to function as an integral unit with the various Ministries performing their assigned roles with the Prime Minister providing the higher direction and coordination. The total paralysis of administration that took place during the Delhi riots that followed Indira Gandhi's assassination would not have happened if there was not too much compartmentalisation in the functioning of the Government. Though the work of the Government was centralised rather unduly in Indira Gandhi's time, there was a progressive decline in her last years over the day-to-day supervision with the result that nobody considered himself to be ultimately accountable for the collapse of the Delhi administration at that dreadful time. It was only after Mr. Rajiv Gandhi rushed at midnight to the worst hit areas that some semblance of authority was restored and the Army called out to deal with the situation.

In more normal circumstances too, there has to be closer interaction between

the decision-making processes at the level of the Ministries concerned and the higher direction from the Prime Minister's Secretariat before determining the steps to be taken to cope with any development. The Prime Minister was evidently not well advised when he decided to release the Akali leaders and announce simultaneously the decision to hold a judicial inquiry into the Delhi riots and also withdraw the ban on the Sikh Students Federation. The detained leaders should have been released first and allowed to establish new political equations with their Akali colleagues to be able to negotiate realistically without laying down unacceptable conditions.

The same mistake was made during the Emergency when the elections were announced first and the detained Opposition leaders released later, when the very dynamics of the situation obliged them to rise above their personal squabbles and put up a united front against the ruling Congress which was routed in the bargain. The very same leaders who brought down the Janata Government could not unite in the 1980 or the 1985 elections with the result that the Congress (I) had a free run on both the occasions.

In Gujarat too, the thinking at the Centre has been unduly influenced by the desire to save the Solanki Government rather than bring about a speedy restoration of normality in the State. The Prime Minister was not correctly advised either on the implications of the reservations issue or the repercussions of the agitation, with the result that the thinking at the higher levels in Delhi became subjective in the abs-

ence of an objective political assessment of the situation.

The Prime Minister's Secretariat, therefore, needs to be strengthened to serve as an independent clearing house for both ideas and information. This is a function that the Cabinet Secretariat should normally perform, but in recent years, it has been overburdened with a lot of extraneous responsibilities making it less and less effective. If the intention is to keep the Prime Minister's Secretariat as a compact office discharging limited functions, then the Cabinet Secretariat should be reorganised to deal with the additional task of advising and assisting Mr. Rajiv Gandhi in the higher direction of the Government.

The new Prime Minister has been in office for only six months out of which nearly two months were taken by the two election campaigns. He is going to be busy with his foreign tour during the summer recess with the result that he is not left with much time to settle down to the work of governing this complex country with its multifarious problems. If he does not reorganise the Government at this stage, it would be too late because his own attitudes will get conditioned by the prevailing atmosphere.

The style of a Prime Minister differs from person to person. The father and daughter did not function exactly in the same manner, and much less is the son going to govern the country in exactly the same way that his mother did, since they are all products of different times. The filial bonds provide for a degree of continuity which can be sustained only by changing with the changing times.

CSO: 4600/1625

INDIA

ANALYST NOTES CABINET RESHUFFLE MAY BE IN OFFING

Madras THE HINDU in English 11 May 85 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, May 10.

The State visits of the President, Mr. Zail Singh, to Zimbabwe and Zambia, due to begin on May 13, have been postponed again because the Government felt his presence might be necessary to deal with some disquieting developments.

It was officially stated at first that the visits were being postponed for "reasons of State", which was later changed to "urgent affairs of State", whatever it meant in the prevailing situation.

The use of this phraseology naturally led to a lot of speculation in political circles here about the purpose of the postponement. The general impression was that the Government may be contemplating drastic action in Punjab to deal with the threat of renewed violence on the eve of the first anniversary of military action at the Golden Temple.

May be connected with Punjab: The Government itself said nothing more to clarify the implications of the cryptic expression 'reasons or affairs of State'. But the intense activity at various levels of Government clearly indicated that the postponement had something to do with the Punjab situation.

One view is that the Government might be considering an internal emergency in Punjab under the amended Article 352 of the Constitution. But the resort to this extreme step would not by itself confer any more powers on the Central or State Governments than they already exercise under the Disturbed Areas Act.

The 42nd Amendment enacted in 1976 gave the President the power to impose emergency in a part of the country threatened by external aggression or internal disturbance. But the 44th Amendment, brought in during Janata rule in early 1979, stipulated that an emergency could

be imposed either in the whole country or a part of it only when it was faced with external aggression or armed rebellion, not just internal disturbance.

In either case, in the event of external aggression or internal rebellion, the President cannot issue a proclamation until the Union Cabinet has made such a recommendation in writing to him. This was done to ensure that an obliging President would not act on the verbal or even written advice of the Prime Minister, or anybody else, as it happened in 1975, without the prior approval of the Cabinet.

No firm signs: But in the present case, there is no firm indication yet that the Prime Minister is considering this action, despite the flurry of consultations at the higher levels of Government. The fact that Mr. Rajiv Gandhi also cancelled his three-day visit to the north-eastern States has, however, lent credence to the theory that Mr. Zail Singh has been requested to postpone his trip so that he may be available to approve immediately any steps the Government might decide to take that require his concurrence.

Re-shuffle?: Another theory advanced by those holding a different view is that the President has been advised to defer his visit for less weighty reasons, presumably to enable the Prime Minister to complete the long over-due cabinet expansion before he goes to the Soviet Union. The President was due to return to Delhi only on May 20, while the Prime Minister is due to go the next morning, leaving very little time for a swearing-in ceremony in the event of a cabinet expansion.

But this theory sounds far-fetched, since Mr. Zail Singh could have been requested to return a day earlier, if indeed the Prime Minister had decided on cabinet expansion at the end of the present budget session of Parliament which concludes before his Soviet visit.

INDIA

ANALYST REGRETS RAJIV REFUSAL TO ATTEND BANDUNG EVENT

Madras THE HINDU in English 24 Apr 85 p 8

[Article by G.K. Reddy]

[Excerpt]

It is unfortunate that the Prime Minister, Mr. Rajiv Gandhi, has not accepted the Indonesian invitation to attend the commemoration of the Bandung Conference. He should have found the time to pay even a day's visit if only to recall the great contribution made by Nehru in arousing the Asian-African conscience against colonial exploitation. His advisers cautioned him that it would be embarrassing if Sihanouk turned up at Bandung and misused this forum with tacit Indonesian support to unleash a tirade denouncing the Vietnamese military presence in Kampuchea as a new form of colonialism. It cannot be said that Mr. Rajiv Gandhi should boycott the forthcoming 40th anniversary session of the U.N. General Assembly in September since Sihanouk is entitled to attend it as leader of the so-called Democratic Kampuchean delegation.

As it turned out, Sihanouk has decided not to go to Bandung for his own reasons. The Vietnamese Premier, Pham Van Dong too, is not attending in protest against the invitation extended to Sihanouk by the Indonesian hosts. But the leaders of some 64 Asian and African countries, several liberation movements and the United Nations are taking part in the two-day celebrations. All the invitees have assembled in Jakarta and travelled together to Bandung in a special train.

Self-ordained role

In retrospect India has also learnt other lessons from the Bandung experience, which was its first major encounter with the complexities of multilateral diplomacy at international conferences. The Indian delegation went about throwing its weight as though it was an AICC session, resenting criticism and adopting a ham-handed attitude. If Nehru spoke from a pedestal in a lofty tone which some of his critics regarded as rather patronising in its attitude, the lesser men around him like Krishna Menon

were abrasive and intolerant in their dealings with other delegations. The net result was that India had finally to give up its earlier objections and go along with the denunciation of "colonialism in all its manifestations."

The main criticism against India at Bandung was that, in its self-ordained role as defender of China, it had adopted a censorious attitude towards the United States which regarded China as a greater menace than the Soviet Union at that time. The U.S. let loose its client States among the 29 participants to embarrass India much more than China by challenging the very basis of its stand that Western imperialism posed a bigger threat to the Asian-African peoples than Soviet or Chinese communism.

What really mattered was that such imposed controversies in the then prevailing cold war atmosphere, when the U.S. was making a bold bid to encircle China and the Soviet Union with a series of security pacts, did not coarsen the Bandung spirit. It developed into a much more formidable emotion bringing together under the non-aligned banner even those that were otherwise divided by bilateral conflicts.

It is rewarding experience for those like this correspondent who were present at the Bandung Conference and were witnesses to this historic event, who are still alive to recall what happened during its week-long deliberations. Those representing their countries at this commemoration may not be of the same stature as the men who attended the conference 30 years ago, but they are products of different times functioning in a different atmosphere. It is not merely the men who have changed but also the dynamics of power and the aspirations of people everywhere. And it is not without significance and a moral of its own that the very same U.S. which mobilised its supporters to pillory China has now emerged as its great defender in a complete reversal of its role.

INDIA

AUSTRALIAN FOREIGN MINISTER SPEAKS TO DELHI PRESS

Madras THE HINDU in English 9 May 85 p 9

[Text]

NEW DELHI, May 8.

The Australian Foreign Minister, Mr. Bill Hayden, said the desire to demilitarise the Indian Ocean, exploit Antarctica and promote trade and economic cooperation were some of the several areas of commonality between Australia and India.

Speaking to newsmen here today, he said while bilateral relations were good, commercial relations were not deep enough. He drew attention to the trade barriers imposed by India which discouraged Australian exports and said Australia was "keenly awaiting" the reply of the Indian Government with regard to a proposal for a joint project for a communication satellite.

Pact with U.S: The Australian leader pointed out that his country had a defence pact with the U.S. and hosted several American military facilities. These facilities were critical for verification of present and future arms control agreements.

In reply to a question, he said Australia had not yet responded to the American invitation to participate in the Strategic Defence Initiative (Star Wars) research. However, Australia had an old ongoing programme in the Australian National University connected with the electromagnetic railgun as a directed-energy weapon had certain defence applications. Some American cooperation was there for the programme but this was from an earlier period. In fact, Australia planned to wind down the railgun programme and use other options available.

Conscious attempt: Mr. Hayden said the Labour Government had consciously "broken away" from the earlier "cautious and inhibited" Pacific Ocean bias towards promoting relations with littoral countries of the Indian Ocean. Although, Australia had a security pact with the U.S., it frequently differed with it. A case in point was the necessity of holding a conference on the demilitarisation of the Indian Ocean. But without super-power cooperation, the conference would be useless, he said.

Mr. Hayden said Australia and India differed on the Nuclear Non-Proliferation Treaty and the Comprehensive Test Ban Agreement. He found Indian arguments cogent but asserted that Australia's prime concern was the possibility of regional proliferation. With regard to the test ban agreement, he said in contrast to the Indian position, Australia advocated a more "gradualist and qualified approach" that would take into account the "realities of the present situation."

With regard to New Zealand not allowing American nuclear capable or nuclear-powered ships into its ports, he said though Australia did allow such ships it was involved in quiet diplomacy to revive the trilateral basis of the ANZUS agreement which had been suspended because of the Washington-Wellington row.

Sri Lanka issue: Referring to his coming visit to Sri Lanka, he said he would like to impress on his hosts the necessity of a peaceful resolution of the issue. The solution had to be found on the political plane by Sri Lanka with due regard to human rights issues. —Our Staff Reporters

CSO: 4600/1631

INDIA

PUBLICATION OF PLAN DRAFT AFTER SEPTEMBER MEETING

Bombay THE TIMES OF INDIA in English 24 May 85 p 9

[Text] New Delhi, May 23 (PTI)--The discussions currently going on with the ministries regarding the seventh plan are scheduled to be completed by the end of June and the draft of the seventh plan is expected to be ready in July.

The plan document will not, however, be published until it is approved by the National Development Council, which is expected to meet in September.

The Prime Minister, Mr Rajiv Gandhi, has made it clear that there will be no scaling down of the public sector outlay as proposed in the approach paper, which envisaged the total public sector outlay, taking the Centre and the states together at Rs 1,80,000 crores.

The total outlays of states, barring Punjab, come to Rs 74,812 crores, against the original sixty crores. This means that around 40 percent of the total outlay for state plans will be financed by the Centre.

In terms of percentage of increase over the sixth plan, Nagaland has received the maximum plan outlay at 90.47, followed by Sikkim 88.52, Assam 88.34, Himachal 87.50, Meghalaya 87.23 and Madhya Pradesh 84.21.

Uttar Pradesh has a moderate increase of 78.58 percent, while Bihar has received 58.15 percent. The lowest increase is in the case of West Bengal 17.85 percent, followed by Kerala 35.48 percent.

The Planning Commission may be required to provide more funds for the poverty alleviation schemes, both on economic and political grounds and for on-going projects for their speedy completion.

However, serious doubts have been raised about the availability of resources even for a plan size of Rs 1,80,000 crores. A further increase in outlays may be necessary to meet the affects of inflation, which is expected to be 10 percent of the plan in the first year.

There being limits on borrowings, both domestic and external and no further scope for deficit financing, the government and the commission are looking for generation of substantial surpluses by the public sector.

CSO: 4600/1646

INDIA

CPI LEADER WRITES ON NATIONAL COUNCIL CONCLUSIONS

New Delhi PATRIOT in English 10 May 85 p 7

[Text]

The National Council of the CPI has admitted that the rural and urban poor do not "look upon our party or the left for the defence of its interests" and as a result the image of the CPI as a "party of the toiling masses is blurred". "Unless our party units are with the people in defending their daily interest, we cannot hope to win the confidence of the people," said the party's top leadership while reviewing the Assembly poll results.

CPI general secretary C Rajeswara Rao has written about these conclusions reached by the National Council in an article which appeared on Wednesday in the CPI's news agency, CNS. In a similar view of self-criticism, Mr Rao has written that the CPI faced "some serious weaknesses" which prevented it from expanding its mass base.

He has lamented that while most opposition parties improved upon their Lok Sabha performance in the Assembly elections, the left parties, including the CPI, failed to make any "serious impact" on the political scene.

Mr Rao attributed this failure to various factors, one of which was the inability of left parties to reach adjustments with "secular-bourgeois opposition parties" in all States barring Andhra Pradesh and Karnataka. It is significant that the CPI leader has drawn a distinction among the non-left opposition parties, something the CPI was reluctant to do on the eve of the Assembly poll.

Among the other reasons for the party's poor electoral showing, Mr Rao has listed the CPI's organisational weakness which prevented an effective mobilisation of its mass support and the party's inability to reach understanding with the CPI-M in some areas of Bihar and Andhra. For the latter, Mr Rao held the Marxists leadership responsible saying it approached the problem with a "negative attitude".

The National Council has further drawn attention to the fact that no nationwide struggles on issue like land reforms, price rise and demands of peasants and agricultural workers were fought by the CPI in the recent past.

Nor did the party launch struggles on political issues facing the people, "to demarcate the left, including our party, sharply from the bourgeois parties". In this connection, it was necessary to project an independent socio-economic programme for the advance of the country.

Mr Rao has said that if the party was serious about overcoming the shortcomings pointed out by its National Council, then the image of the CPI should be immediately improved. It was necessary to fight militant mass struggles and effectively intervening in such struggles and the people's day-to-day problems.

He has urged his partymen to understand the importance of land struggles. While pointing out that there was still considerable land concentration, he has said: "Alongwith land struggles of agricultural workers and poor peasants, it is also important to take up issues of the landowning peasants, like remunerative prices, irrigation facilities and cheap credit."

On the trade union front, Mr Rao has underscored the need of organising the unorganised sector of labour. He has called upon each union and district units of the CPI to undertake this specific job as "a foremost task". Besides, he has asked partymen to intervene in the various relief schemes of the Government to see that the benefits actually reached those for whom they are intended.

"It needs to be emphasised that our party has to change its present style of functioning," Mr Rao has said. The style of "passing the buck" must go and leaders at all levels must directly participate in mass struggles. "The call of the National Council in this respect needs to be implemented seriously."

CSO: 4600/1634

INDIA

CPI-M LEADER SAYS TIME NOT RIPE FOR COMMUNIST MERGER

Madras THE HINDU in English 10 May 85 p 12

[Text]

CALICUT, May 9.

Mr. E. M. S. Nambuthiripad, CPI (M) General Secretary, said here today that there was no question of merger of the Communist Party of India (CPI) with his party without the differences between the two on important issues being resolved.

He was speaking on "Universality of the working class and the Indian communists", at a seminar organised by the A.K.G. Study Centre here in connection with the 40th anniversary of the victory of anti-fascist forces at the end of the Second World War.

Dismissing reports in a section of the press that the two parties were about to merge as "silly and uninformed talk", he said the two had sent their representatives to participate in the anti-fascist victory celebrations in Moscow only because they shared the spirit behind them.

Indication: The celebrations indicated more than sweet memories of a victory 40 years ago, the need for constant vigil against nuclear threats posed by the "ghost of Hitler" working through the U.S. President, Mr. Ronald Reagan, Mr. Nambuthiripad said. He said the unity of the two parties, though desirable, should better be forged after careful thinking by both sides and resolutions of the glaring differences on basic and important issues.

He personally felt that the time was not ripe yet for such a merger. Neither had the CPI leadership put forward such a suggestion. If the proposition was made during talks between the two parties, scheduled to take place shortly, the various factors had to be considered.

"I still remember the agony of working as the General Secretary of the undivided party for a few months, Mr. Nambuthiripad said and added if there was a hasty reunion, all party members would have to go through the same experience."

Examples of differing views: The Khammam elections when the CPI forced a contest against the CPI (M) and the attitude to the Assam crisis were examples of differing views of the two parties. Further, the CPI's views on its role in toppling the Marxist-led Governments in West Bengal and Kerala in 1969 had to be considered. Without settling these questions there was no meaning in uniting, Mr. Nambuthiripad said.

However, the two parties could cooperate in matters like campaign against nuclear threat forced by the U.S. or the "anti-people budget of the Central Government."

The communists in India had made mistakes in the past. It now admitted its view that the second phase of the Second World War was a people's war after the Soviet Union entered the field was "in conflict with the feelings of a large number of anti-Imperialists in the country at that time." This also alienated communists from the masses to an extent. This, the communists were ready to admit now. But, the Congress (I) was never for any such introspection.

However, Mr. Nambuthiripad pointed out, though communists were branded "Russian agents" at the time of Independence, now the Congress (I) was keen on being on good terms with the Soviet Union.

CSO: 4600/1633

INDIA

CPI-M GENERAL SECRETARY MEETS PRESS IN TRIVANDRUM

Calcutta THE TELEGRAPH in English 24 May 85 p 9

[Text]

Trivandrum, May 23: The CPI(M) general secretary, Mr E.M.S. Namboodiripad, today called for a realignment of political forces based on principled politics and a common foreign policy.

Speaking to newsmen here, Mr Namboodiripad expressed disgust at the politics of compromise practised by the ruling United Democratic Front (UDF) and said just a change in the coalition ruling the state would not solve the problem.

"The question is not who will take the lead for such a realignment of political forces but whether there is a positive response. The leadership will emerge naturally when that type of politics is practised," the Marxist leader said.

He said the situation in Punjab had improved considerably since the new government came to power at the centre. After the recent byelections the Centre had taken a new look at the problem, which had helped ease the situation.

About the recently enacted anti-terrorist law, Mr Namboodiripad said existing laws should have been implemented properly rather than new laws created.

He said the Centre's permission to abolish the legislative council in Andhra Pradesh was a positive sign and felt there had been an improvement in the Rajiv Gandhi government's attitude towards the Opposition. "This was visible during the current Parliament session," he said.

Mr Namboodiripad agreed with the chief minister Mr K. Karunakaran's view that one-party rule was not possible in Kerala. The coalition front in power was just a modification of the anti-communist front that was formed in 1959-60. "As long as the aim is just to be anti-communist no front can survive. The political degeneration that is being seen now is because of this and not just because of squabble by coalition partners like the NDP and SRP," he said.

CSO: 4600/1647

INDIA

CONGRESS-I WORKERS WORRY OVER DIRECTION OF PARTY

Bombay THE TIMES OF INDIA in English 10 May 85 p 6

[Article by Subhash Kirpekar]

[Text] New Delhi, May 9--Rumblings within the Congress over the actual path of economic development to be adopted continue.

Doubts and fears persist in the minds of partymen on several issues. One of these is the possible rejuvenation of the dormant left parties which may seek to extract political mileage from the swing to the right-of-centre achieved through the budget.

"Though the economic resolution adopted by the AICC sought to balance the "tilt" by reaffirming the party's commitment to socialism, what worries partymen is that this had come as an afterthought and in response to pressures building up among discontented Congressmen.

But, from all that has transpired at the AICC session and the inaugural of the Congress centenary celebrations, it appears there is no ideological warfare within the party. The crux of the problem is the "pro-rich budget" which for the first time in decades has been acclaimed by the West and by persistent critics of the Congress like Mr Nani Palkhivala.

In the process, what partymen describe as "postural differences" have surfaced, leading even liberals and rightists to quickly adopt leftist postures, ostensibly to soften public opinion. They have also realised the need to pacify party workers who feel the Congress has gone in for a directional change, both in terms of quantity and quality.

Political Gains

What many partymen find disturbing is that the left parties may find it easy to cause trouble in the troubled economic situation. They have no apprehensions of right parties like the Janata or the BJP making political gains on this front. But the left has the potential of playing up the situation that may arise with the entry of multinationals in the country in the name of importing new technology, which they regard as an euphemism for Western technology.

Congressmen say MNCs are known to have meddled in and even played havoc with the economic and political situation in many developing countries where they operate with their vast financial and other resources.

"Thank God there is no Jaya Prakash Narayan now," remarked a senior Congressman while expressing concern over the spiralling prices. He meant no disrespect to "JP," but was merely stressing the point that the absence of a leader of national stature in the opposition who could rouse the masses was simply not there now. Had there been one, the government would have been discomfited.

Also related is the problem that may arise out of computerisation and automation, about which there is a great deal of talk these days. Already, they say, unemployment is massive and a matter of deep concern. Should large numbers of people lose their jobs in the name of modernisation--and what is the guarantee that they will not--how will the Congress the situation thereafter, they ask.

Comparisons become inevitable. Mrs Indira Gandhi, they say, was deeply concerned about the plight of the landless and, while she favoured the growth of technology, she wanted it to develop indigenously, a stance which evoked criticism from the West.

The young leadership now, whose intentions they do not doubt, seems to them to be driven by the compulsions and demands of its vision of the 21st century into almost making a total departure from the time-tested policy of socialism and self-reliance.

Of course, they are conscious of the leadership's firm statements reiterating its commitment to socialism and to dealing sternly with those responsible for the rising prices. But they appear to be waiting for concrete action and results to substantiate these declarations.

Some of them recall how the jettisoning of the concept of socialism by ex-Congress stalwarts like Mr S. Nijalingappa had sent them into political oblivion. And that is their real concern. If there is only lip sympathy to this concept, they feel the party will suffer a rapid erosion of popularity and influence among the masses who overwhelmingly supported the congress in the parliamentary elections.

'Nothing Has Changed'

It is the leadership's awareness of this possibility that has prompted it to assert that there will be no change and that nothing has changed. But then comes the bureaucracy into the picture. In the general attack on the fiscal policies and the budget, partymen feel that bureaucrats in the post-Indira Gandhi period have become more assertive. They even talk of China shedding its ideological wrinkles to opt for new Western technology and ask why India, not committed in the sense that socialist countries are, should fight shy of this new thrust.

All said and done, Congressmen feel the party leadership's instincts are sound and they are confident that if the need arises, Mr Gandhi will face boldly those who differ with him, including feudal elements who may adopt left postures to force him to move to the left of the centre. To conclude, what Mr Pranab Mukherjee observed at the AICC is of importance: "The real impact of the budget is yet to be felt."

Much of the tension now prevailing in the Congress will be defused only when the impact is not negative. If the situation on the price front worsens, pressure groups in the party will undoubtedly assert themselves.

CSO: 4600/1632

INDIA

CORRESPONDENT INTERVIEWS JANATA PARTY PRESIDENT

Calcutta THE TELEGRAPH in English 9 May 85 p 6

[Interview with Chandra Shekhar, Janata by Yubraj Ghimire in Ballia]

[Text]

Q: *The Janata Party suffered a debacle in the Lok Sabha elections. How do you plan to rebuild the party?*

A: It's a fact that we lost badly then. But, we did fairly well in the Assembly election. Though I can't say that the picture has become very rosy for our party, it is definitely out of the despair and gloom now. Our byelection results are more encouraging.

We want to build the party as an effective organisation of the masses for socio-economic transformation. We want the people's participation at every level.

Q: *Are you going to make any changes in your organisation?*

A: That can be done when necessary. But, right now, our stress would be on identification and involvement with the people's problems and strengthening the organisation. In the next four months we want to have at least four active members of the party in each and every village. To begin with, I have chosen Ballia on an experimental basis. If every member can recruit ten others in his or her village, the party would be strengthened. If it bears fruit, the experiment would be repeated in every village of the country.

Q: *What are the constructive programmes that you want to involve your party workers in?*

A: They may be anything—construction of school buildings, roads, sanitation, afforestation, etc.

Q: *Are you hopeful of success in your new programmes?*

A: We are going to have motivated and committed people in the party, qualitatively better members. Those unable to maintain the pace might find themselves unfit. But for any change or for spreading our message, we want an effective organisation with committed people. That is what we are going to do.

Q: *Will all your effort continue till the next election?*

A: No. We will be able to rebuild the organisation in a span of one year. We will then involve our party cadres in people's problems like the impact of the Budget on the poor masses, the price rise, unemployment, etc. Once we are close to the people, we can create a mass opinion and seek remedies collectively which is the best method to find a solution.

Symbolic action cannot change politics. If we want concerted action, then we need an effective organisational setup. We need at least one or two persons in every village to carry the masses.

Q: *Will you concentrate on just these two issues or also take up local problems during your month long visit to the state capitals?*

A: I will definitely take up other matters too. I will discuss the Assam problem when in Guwahati. Likewise, when I am in Gujarat and Madhya Pradesh I will discuss the burning local issues.

Q: What is your stand on the Gujarat riots?

A: I strictly believe that reservations should not be made an emotional issue. I am against all kinds of violence—it never leads to a solution. Personally, I favour a national reservation policy formulated after thorough consultation with scientists

Q: Do you agree that the criteria of reservation should be socio-educational backwardness?

A: I personally feel that the reservation policy should be based on economic as well as social backwardness. So, as suggested by Kaka Kalelkar, the issue should be reviewed every ten years to decide the beneficiaries for the next decade.

Q: What about reservations being made a political issue?

A: I am opposed to that too. See what is happening in Madhya Pradesh and Gujarat. They (Congress-I) just announced certain things (reservations) on the eve of the elections and cornered votes. Now they back out. This is political dishonesty. If you announce certain things with immediate gains in sight, it will be disadvantageous.

Q: Do you think the Congress(I) government is solely responsible for the trouble in Gujarat?

A: I am just saying that the Congress (I) did not pursue honest politics there. If you can't fulfil a promise, then don't promise at all.

Q: But the ruling party leaders blame the Opposition for the trouble there?

A: Does that mean the Congress(I) creates trouble (riots) in Hyderabad if only being in the Opposition makes one guilty.

Q: What about Punjab?

A: The Congress(I) will be entirely guilty if something unforeseen happens.

Q: Do you mean the country is going to break up?

A: Anything may happen. When I had been continuously suggesting till three months ago that the government should negotiate with the Akalis, I was termed an anti-national by the country's Prime Minister. Today, the same person, after much violence, is eager for talks—after the same (Akali) leaders eulogised Indira Gandhi's assassins as "martyrs." A sincere effort three months ago would have saved numerous lives and property and a conducive environment would have prevailed by now.

Q: What would be your role in such a negotiation?

A: We offered to help the government, not once but many times. But now, the government has forced us to get out. The Prime Minister called us anti-national when we suggested negotiations. Today he advocates negotiations. This indicates either that he was wrong then or he is wrong now. It's for him to decide. But I strongly feel, the government may surrender or seek an apology from the Sikhs. I doubt whether the Sikhs would ever pardon them.

Q: Are you in favour of the Sikhs rebuilding the Akal Takht?

A: Yes I am. I still condemn the military action in the Golden Temple. The government committed a mistake. After it demolished the Takht, the Sikhs had wanted that the

Takht should be left for them to reconstruct. The government spent Rs 6 or 8 crores for its reconstruction much against the Sikhs' will. The Sikhs have never accepted donations from outside. Now you cannot purchase their history with just Rs 6 or 8 crores. Most of the leaders really don't know Sikh history. If the country's Prime Minister loses his sense of judgment, the country might suffer another hundred years because of that wrong.

Q: Now about Karnataka. There were reports in newspapers that the differences between you and Mr R. K. Hegde are growing?

A: If you are talking about my party leaders, Mr R. K. Hegde, who is now the chief minister of Karnataka, my relations with him are extremely cordial and as before.

Q: Is Mr Hegde willing to come back to the national politics?

A: Right now we have not discussed it. But, we will discuss such things if the situation so demands.

Q: In Bihar, there is resentment among the rank and file of your party about the election of Mr Raghunath Jha, a Congress(I) defector as the leader of the legislature party?

A: Mr Jha is not a nominated but an elected leader. He was elected by the members of the state legislature party and we had no role to play there.

Q: What would be your role in Opposition unity? What is the future of the political parties in the Opposition?

A: Mere slogans won't work. The best thing we have chosen to do now is get involved with the people. Any party unable to maintain the pace of history or development cannot survive. For us, we shall fulfil the mission we have undertaken.

9 July 1985

INDIA

MEMBER OF BJP NATIONAL EXECUTIVE ASKED TO RESIGN

Calcutta THE STATESMAN in English 14 May 85 p 9

[Text]

NEW DELHI, May 13.--Mr Rajinder Puri resigned from the national executive of the Bharatiya Janata Party today after a directive from the party president, Mr Atal Bihari Vajpayee, who charged him with openly criticizing the party.

Mr Puri had on Saturday described the BJP's support to the Shiv Sena in the mayoral election as "indiscipline" on the part of the Bombay unit of the party.

Mr Vajpayee wrote to Mr Puri that in two months he had criticized the party three times—for the party president's and general secretary's meetings with the Prime Minister—and had promised to take "extra care" about his utterances and statements to the Press.

In view of his "failure to abide" by the party discipline, Mr Vajpayee asked Mr Puri to resign from the national executive of the party.

Mr Puri said in a letter to Mr Vajpayee: "You deem me indis-

ciplined for informing the Press that the general secretary of the party, Mr Lal Krishna Advani, and the Bombay unit of the party, were indis disciplined for brazenly violating the resolutions of the national executive. You consider me indis disciplined for exposing the indis discipline of others, but have no word of reprimand for those who oppose your own formal policy statements as well as the resolution of the national executive. Discipline, let me remind you, enjoins a code of conduct on all members of the party, including its president and general secretary".

He added: "You made a formal policy statement that the BJP would not take part in parleys with either the Government or the Akalis on a solution in Punjab. Yet, twice after that, Mr Advani, in disregard of your statement, conferred with the Prime Minister, not bothering to brief the Press".

CSO: 4600/1638

9 July 1985

INDIA

CONGRESS-I REVERSES IN BYELECTIONS REPORTED

Calcutta THE TELEGRAPH in English 26 Apr 85 p 1

[Text]

New Delhi, April 25 (PTI, UNI): The Congress(I), which rode back to power at the Centre and in many states in the recent Lok Sabha and Assembly elections, tonight suffered big reverses in the first major electoral exercise since the December and March polls. Of the 22 results declared till late tonight of the 26 Assembly byelections, the Congress(I) had bagged only six seats, the rest going to Opposition parties or Independent candidates.

The Janata Party and the Congress(I) won one seat each in the elections for the three Lok Sabha seats which were held along with the Assembly byelections yesterday. Counting of votes in the Ladakh Lok Sabha constituency of Jammu and Kashmir will be taken up next month as the ballot boxes are yet to reach Leh from remote areas. While the Baramati Lok Sabha seat in Maharashtra went to the Janata Party, the Tiruchendur seat in Tamil Nadu was bagged by the Congress(I).

The ruling Congress(I) in Orissa suffered humiliating reverses when the Opposition made a clean sweep of all the three seats.

The party suffered a shock defeat in the prestigious Khurda constituency when its nominee, Dr Baidyanath Misra was humbled by Mr Prasanna Kumar Pat-sani (Ind), a Congress(I) rebel supported by the Opposition parties, by a margin of 2,997 votes.

The Congress(I) lost the Kakatpur seat to the Janata Party nominee, Mr Surendranath Nayak, who defeated Mr Shashi Bhusan Misra (Congress-I) by a comfortable margin of 5,571 votes in a four-cornered contest.

The Janata Party also wrested the Keonjhar (ST) seat from the Congress(I) by a slender margin. After a recount, the Janata Party nominee, Mr Chhotrai Majhi, established a lead of 123 votes over his Congress(I) rival, Mr Dambarudhari Nayak, in a triangular contest.

In Karnataka, the ruling Janata Party has retained the Sathanur and Hukkeri Assembly seats, defeating the Congress(I) by big margins.

In Sathanur, Mr K.L. Shivalinge Gowda trounced Mr Marilingaiah by 18,811 votes in a nine-cornered contest.

The Bihar chief minister, Mr Bindeshwari Dubey, suffered a personal defeat after the Congress(I) lost both the Assembly seats in its areas of trade union and political activities—Hatia and Bokaro. However, the Congress(I)'s overall position has improved as it is poised to wrest two seats held by the Opposition in the last Assembly.

The All-India Yuva Janata chief, Mr Subodh Kant Sahay, retained the Hatia seat, defeating Mr Dubey's nominee, Mr Suhans Jha, by more than 10,000 votes. Although the results of the Bokaro seat have not been

declared, according to the latest counting trends the Congress(I) nominee and a close relative of Mr Dubey, Mr Dinesh Kumar Chaubey, is trailing a poor third. The Lok Dal candidate is leading in this constituency.

In Nalanda, the Congress(I) candidate, Mr Shyam Sunder Prasad, defeated his nearest Independent rival, Mr Ram Naresh Singh, by margin of 5,066 votes. The party nominee, Punam Devi, was leading over her nearest Lok Dal rival, Mr Ganesh Prasad Yadav, by over 10,000 votes in Masaurhi. In Latehar (ST) the counting will be taken up tomorrow.

Mr Ajay Singh, son of the Punjab governor, Mr Arjun Singh, won the Churhat Assembly seat in Sidhi district of Madhya Pradesh. Mr Ajay Singh (Congress-I), has defeated his

nearest rival, Mr Ravi Nandan Singh (BJP) by 19,376 votes.

The Congress(I) bagged the Amber and Karanpur Assembly seats and lost the Kishangarh seat to the BJP in Rajasthan. The daughter of Raja Man Singh, who was killed in police firing in February, Mrs Krish-nendra Kaur (Ind) was declared elected with a heavy majority from Deeg.

The Telugu Desam in Andhra Pradesh retained the Gudivada and Nalgonda Assembly seats, while the Congress(I), the Janata Party and the Majlis-e-Ittehadul Muslameen bagged one seat each.

The Congress(J) candidate, Mr Ramakant Yadav, was elected to the Uttar Pradesh Assembly from Phulpur constituency of Azamgarh district, defeating his nearest Congress(I) rival, Mr Abul Kalam.

CSO: 4600/1622

INDIA

ELECTION COMMISSION WANTS STEPS AGAINST BOOTH CAPTURING

Calcutta THE STATESMAN in English 26 Apr 85 p 9

[Text] New Delhi, April 25--The Election Commission favours the amendment of the Representation of the People Act, 1957, to deal more firmly with the problem of booth capturing in elections.

While in the elections to the Lok Sabha in December last year 159 polling stations were officially reported to have been captured, in the Assembly elections last month, as many as 297 booths were known to have been captured, mainly in Bihar.

Bullets

Dr R.P. Bhalla, secretary to the Commission, said today that at times it appeared to be the "battle of bullets rather than the ballots." Some candidates openly admitted that they had "lost the election by half a dozen guns" implying that they could not capture six more booths than their rivals. As at times both sides were involved in booth capture, they did not care to complain in writing to the Election Commission. However, verbal complaints have been received.

The Commission also proposes to widen the scope of Article 324 of the Constitution, which is normally invoked by the Chief Election Commissioner to order a repoll in an entire constituency instead of a few polling stations. Such a repoll would be a deterrent to booth capture, it is felt.

The article gives the Chief Election Commissioner powers of "superintendence, direction and control of elections." It is proposed to amend the rules to allow the Deputy Election Commissioner and secretaries of the Commission to invoke the article.

Scope

The Commission will also request the Government to widen the scope of Section 58 of the Representation of the People Act to enable it to appoint one of its officials or a central observer to investigate complaints of booth capture. At present the Commission relies on the report of returning officers on complaints of irregularities before polling can be cancelled

or an adjourned election can be resumed. An inquiry by the Election Commission, wherever possible, or by a central observer, is considered desirable.

The recent elections to the State Assemblies brought up a new problem: booth management by certain candidates who decided to win the elections by staying within the parameters of the rules. They did not capture booths because that could have immediately forced them to face a repoll.

A repoll is ordered if there is "abnormal voting" in several polling stations constituency--that is 90% and above--while in the rest of the constituency it is 40% to 75%. If 90% of the votes polled in those "abnormal" polling stations go to a particular candidate and these votes can materially influence the result, the returning officer can order repoll in those booths.

But the candidates who "decide" to win so "manage" the percentage of votes that it is uniform throughout the constituency and even if the percentage is more than 90% it has to be accepted as "normal." Complaints about such elections are proposed to be considered in future by issuing new directions to Chief Election Officers of the States or the Commission so that a repoll can be ordered if circumstances warrant.

Debar

To debar criminals from contesting elections, the Commission would also like Section 8 of the Representation of the People Act to be amended. The law now says: "any person who has been convicted for a criminal offence is not allowed to contest an election for a period of five years from the date of his release."

Dr Bhalla said: "We intend to recommend that those who have been convicted for a period of a little less than a year should also be debarred."

It was not yet possible to debar habitual offenders, not yet convicted, because the restriction could be used by politicians in power against their opponents.

To reduce the number of candidates contesting elections it was felt that the security deposit should be raised from Rs 500 to Rs 5,000 for Lok Sabha elections and from Rs 250 to Rs 2,500 for Assembly seats. Those who forfeited their security deposit could also be barred from contesting a future election. It was not proposed, however, to increase the number of votes--one-sixth--a candidate should poll to save his deposit.

There is only one proposer for a candidate now. The number of proposers could be raised to 10 if proposals for amendments are accepted.

CSO: 4600/1621

INDIA

COMMERCE MINISTRY DEPARTMENTS REPORT TRADE DEFICITS

New Delhi PATRIOT in English 26 Apr 85 p 2

[Text]

The country's export earnings have been rising since 1981-82 until the last year. While they grew at 16.3 per cent in 1981-82, the rate of growth was 14.1 per cent in 1982-83 and 10.8 per cent in 1983-84. Giving these figures, the annual report the Departments of Commerce and Textiles of the Commerce Ministry states that the country's export earnings were all the more remarkable in view of a near stagnation in international trade flows.

The country's balance of payments position, which was disturbingly adverse in the late '70s, has also been steadily improving subsequently. The annual growth in the value of exports moved up from 4.6 per cent in 1980-81 to 16.3 per cent in 1981-82 and 14.1 per cent in 1982-83. At the same time, the annual growth in the import bill dropped from 37.3 per cent in 1980-81 to 8.4 per cent in 1981-82 and 5.5 per cent in 1982-83.

In 1983-84, however, there was a discernible change in this trend. The country's total exports during this year amounted to Rs 9867.51 crore, showing an increase of 10.8 per cent over the previous year. Imports too grew by 9.8 per cent during

the year, causing an increase in trade deficit from a level of Rs 5448 in 1982-83 to Rs 5895 crore in 1983-84.

The report says that 1984-85 has begun on an encouraging note. During the first nine months of the year, exports increased by 18.8 per cent compared to the corresponding period the previous year. Imports too increased during this period by 12.8 per cent, thereby making the trade deficit marginally higher.

The report said export of engineering goods such as machinery and transport equipment, metal manufactures, etc. also witnessed an upward trend during the first half of 1984-85.

The public sector undertakings contributed significantly in the promotion and diversification of India's foreign trade, it said.

In order to sustain and improve project exports, a separate export promotion council, Overseas Construction Council of India, has been formed. This council is expected to step up export activities relating to construction and civil engineering projects overseas, specially in Asian and African countries where a vast

potential for exports of capital goods and industrial turnkey projects exists in the coming years, the report said.

The performance of Free Trade Zones (FTZs) has been encouraging with Kandla FTZ surpassing its export target of Rs 150 crore set for 1984-85 within eight months. It is expected to achieve export of Rs 220 crore by the end of the year, thereby registering an increase of 110 per cent over exports of the previous year, which stood at Rs 107 crore. During the year under review 10 new units were commissioned into production raising the total number of working units to 105.

Exports from Santa Cruz Electronics Export Processing Zone (SEEPZ) amounted to Rs 72.24 crore up to December 1984. During 1983-84, Seepz export were valued at Rs 88.62 crore.

The new FTZs set up at Cochin, Madras, Falta and Noida are at various stages of development.

At the end of December 1984, there were 236 approved joint ventures proposals. Of These 167 joint ventures spread over 31 countries were in operation and 79 under various stages of implementation.

CSO: 4600/1623

INDIA

AGRICULTURE DEPARTMENT REPORTS UNDER-TARGET OUTPUT

Bombay THE TIMES OF INDIA in English 25 Apr 85 p 12

[Text]

NEW DELHI, April 24.

FOODGRAIN production in 1984-85 is expected to be between 148.5 and 150.5 million tonnes despite the weak monsoon and prolonged post-monsoon drought.

Though only marginally lower than the previous year's record output of 151.5 million tonnes, it falls considerably short of the target of 153.6 million tonnes.

According to the annual report of the agriculture department, grain output might range from 85 to 87 million tonnes in the kharif and about 53.5 million tonnes in the last rabi.

The estimates place rice production between 59.5 and 60.5 million tonnes and wheat at 46 million tonnes. Coarse cereals output might be around 35.5 million tonnes and pulses about 10.5 million tonnes.

The provisional figure for sugarcane production is 175 million tonnes. The output of nine major oilseeds including groundnut, mustard and soyabean is put at 13 million tonnes.

ACTION PROGRAMME

Production and distribution of certified and improved quality seeds registered a 508 per cent growth during the sixth plan period—from 1.4 million quintals in 1979-80 to over seven million quintals in 1984-85. An 18-point action programme was formulated to boost production of breeder, foundation and certified seeds.

During the year, the reconstituted central seeds committee recommended 67 new varieties of various crops for cultivation in different parts of the country to diversify the crops profile and help build up resistance to pests and diseases. Besides, 217 varieties of different crops were notified to bring their seeds under the quality control umbrella of the Seeds Act.

The report said there was a three-fold increase in consumption of fertilisers during the last decade, reaching 8.4 million tonnes in 1984-85. In the last two years of the sixth plan in particular, there was a phenomenal growth in fertiliser use. During 1984-kharif, consumption of fertiliser was estimated at 3.8 million tonnes, marking an increase of more than 22 per cent.

A happy development, according to the report, was the absence of any serious outbreak of plant diseases or attack by pests or insects. Availability of pesticides remained satisfactory. Also, less than 200 tonnes of weedicides were imported, against about 800 tonnes in the previous year.

About 29.38 million hectares out of approximately 175 million hectares of severely eroded and degraded land was expected to have been restored by the end of the sixth plan through various soil conservation measures at a cost of about Rs. 1,200 crores.

The committee of experts set up to

formulate a draft of a national land use policy submitted its report in december last. The all-India soil and land use survey organisation was expected to cover during 1984-85 an area of five million hectares by priority delineation survey in addition to 5.443 million hectares covered in the previous year.

Dryland farming made commendable progress during the year and an area of 3.996 million hectares in the identified micro-watersheds was taken up for coverage under dryland farming practices against the target of 3.611 million hectares. Outside the watersheds, an area of 10.9 million hectares was brought under various dryland farming practices against a target of 10 million hectares.

A world bank pilot project for watershed development in rainfed areas was initiated in Karnataka, Andhra Pradesh, Maharashtra and Madhya Pradesh, besides 46 model watershed development projects taken up for implementation with technical assistance of the Indian Council of Agricultural Research.

According to the report, a policy of selective mechanisation was pursued to modernise agricultural operations in the country and rapid progress was made in this field. The tractor industry had expanded fast and had an installed capacity of 100,000 tractors per year, making it one of the biggest in the world.

CSO: 4600/1618

INDIA

BORDER SECURITY HEAD ON TALKS WITH DHAKA OFFICIALS

Calcutta THE STATESMAN in English 27 Apr 85 p 3

[Text]

FOUR men were injured, one of them seriously, during a clash between two groups of people, numbering about 1000, near Fancy Market on Circular Garden Reach Road in Kidderpore on Friday morning. Swords and bombs were used. A number of tile-roofed houses were also ransacked. The injured were admitted to the Dock Hospital.

There was tension in the area throughout the day. Traffic along the road was disrupted for several hours. The police raided the Fancy Market and the adjacent Five Star Market, now under construction. Three men were arrested.

The Police Commissioner, Mr B. K. Basu, said the trouble began when a team of employees of the Calcutta Electric Supply Corporation went to a bustee adjacent to Fancy Market to inquire into the complaint from the owner of the plot on which the bustee is located about residents there illegally drawing electricity from a meter belonging to one Asfaq, who lived there. The bustee dwellers obstructed the CESC team. Then a large group of men, armed with swords, bombs and lathis, said to have been sent by the plot-owner, raided the bustee.

The men and the bustee-dwellers clashed when bombs and brickbats were exchanged. Bricks lying in a heap nearby and meant for use for the construction of the Five Star Market, were also used.

According to the local thana, a police force reached the spot about 40 minutes after the trouble began. The Deputy Commissioner, Port, also led a police party there. The two warring groups dispersed soon after.

Local people said that about 10 families lived in the bustee. Most of them worked in the docks and had been living there for the past six months. There was a dispute between the owner of the plot and the bustee-dwellers over electricity connexions to the houses. The residents were drawing electricity from a meter belonging to Asfaq.

The names of 15 men were mentioned in the first information report made by the local people at Watgunge thana.

In a statement, the general secretary of the DMKP alleged that the belongings of many of those living in the bustee were looted during the clash. The local DMKP office was also damaged. He demanded stern action by the Government against the culprits.

CSO: 4600/1624

INDIA

REPORTAGE ON MEETING OF ALL-INDIA CONGRESS COMMITTEE

Resolution on International Affairs

New Delhi PATRIOT in English 5 May 85 p 5

[Text]

The following is the text of the resolution on international affairs:

This meeting of the AICC recalls with pride and gratitude the outstanding contribution which Smt Indira Gandhi made to the cause of world peace. One of the greatest world leaders of the 20th century, she visualised clearly the dangers which the arms race posed to mankind. She carried to every continent the simple but powerful message: 'Either we cooperate to live together on our lovely planet or we are condemned to die together without human dignity'.

2. Her enduring contribution to world peace was rooted in India's age-old heritage; her message was in fact the immortal message of India through the ages. More recently during the freedom struggle, Mahatma Gandhi, Jawaharlal Nehru and other leaders of our freedom movement always emphasised that independent India would be a bulwark of world peace and the harbinger of the liberation of all subject peoples anywhere on the globe. India's foreign policy derives from this basic approach.

3. Through various international fora, India has focussed attention on world peace and peaceful co-existence based on relations of sovereign equality among nations. We have been in the forefront in the cause of disarmament. We have championed the cause of all peoples struggling for freedom. It is this tradition that Smt Indira Gandhi carried forward with tenacity and passion.

4. The AICC feels gratified that the new Government, under the leadership of Shri Rajiv Gandhi, has begun to build on this splendid heritage. The Six Nation Summit for disarmament was convened in New Delhi soon after the new Government took office. The New Delhi Declaration has enthused the force working for peace throughout the world.

5. The AICC notes that the international situation continues to be tense. There is no breakthrough in the talks between the US and the Soviet Union on reduction of arms. On the other hand, new weapons systems are being designed. The militarisation of space poses incalculable peril to humanity. The crisis of modern civilisation calls for a new response based on the imperative of saving man.

6. The AICC urges the great powers to find, without loss of time, a common ground for reversing the disastrous lurch towards mutual destruction. The tremendous potential of scientific and technological development can be harnessed for human welfare only if the astronomical spending on armaments is halted; mankind cannot have both.

7. In this context the Non-aligned Movement, under the leadership of Prime Minister Rajiv Gandhi, is playing a constructive and positive role. The AICC warmly supports the initiatives taken by non-aligned nations to foster a climate of cooperation and to reduce the areas of fear, suspicion and hostility.

8. The AICC notes that there still persist in the world, pockets of colonial and racist exploitation. The cry of *Namibia* patriots for freedom rings loud and clear. The AICC endorses the New Delhi Declaration of the extraordinary meeting of ministers of non-aligned countries on the Namibian question and appreciates the Prime Minister's action of according full diplomatic recognition to SWAPO. It urges the world community to employ effective sanctions to compel the racist regime of South Africa to recognise *Namibia's* right to self-determination and to withdraw from the territory occupied by it in cynical defiance of the United Nations. The people of India are fully behind SWAPO's struggle.

9. The conflicts and tensions in West Asia have not abated. The real issues are being deliberately swept under the carpet. The basic problem is the struggle of the Palestinian people for their homeland. Israel must not be allowed to consolidate in any manner the unjust gains of its aggression. The AICC extends its *full support to the valiant effort of the PLO for justice and freedom for the people of Palestine.*

10. *The crisis in Central America, illustrated by the recent happenings in Nicaragua, is due to external interference in the affairs of Latin American countries.* The AICC is convinced that stability and peace in Central America will come only if these countries are allowed to settle their own problems without foreign intervention. The process initiated by the Contadora group holds the best chances for a

solution and should be encouraged by all concerned.

11. The AICC notes with regret that the conference on the Indian Ocean as a zone of peace, manipulated by the United Nations, has not [word illegible] so far. It reiterates its commitment to the declaration of the Indian Ocean as a zone of peace and calls upon the Non-aligned Movement to ensure that the UN Conference is convened soon.

12. The AICC welcomes the initiative taken by the Prime Minister to bring about rapprochement between Iran and Iraq with a view to ending the tragic conflict that has raged for well over 4 years. The search for a solution must continue in the interest of the region and generally of the world.

13. The developments in Indo-Pakistan relations continue to cause anxiety. The government of Pakistan's professions of peace and friendship are not matched by actions. Its continuing large-scale procurement of sophisticated weaponry out of all proportions to legitimate requirements is inconsistent with the creation of a framework of durable peace in the sub-continent. The AICC takes serious note of the persistent efforts of Pakistan to acquire nuclear military capability. Its denials notwithstanding, all evidence points to preparations for building nuclear weapons. This dimension has to be clearly noted by our security planners.

14. In spite of various provocations, the Government of India has adhered to its principled policy of building good neighbourly relations with Pakistan. It hopes that the government of Pakistan will respond.

15. The situation in Sri Lanka continues to cause concern. Large scale violence by the Sri Lankan security forces against the Tamil minority has caused a large exodus of Tamils to India, which continues unabated. The AICC welcomes the efforts made by the Prime Minister to defuse the situation. The AICC reiterates that in the final analysis the solution to the ethnic problem can only come through a national dialogue in Sri Lanka, based on justice to the Tamils within the framework of the country's territorial integrity. India is vitally interested in a speedy and peaceful settlement of the problem, as prolongation of the internal conflict can only give rise to the intrusion of extraneous influences.

16. The AICC is gratified that notwithstanding some issues mentioned above, India's relations with neighbouring countries are cordial and friendly. It reiterates our policy of friendship with neighbours and reaffirms that the communalities and common problems of these countries should need fruitful cooperation on the basis of sovereign equality and mutual benefit. While taking note of the initiatives taken by the Government in recent years, the AICC hopes that this process will evoke all round response and get further strengthened hereafter.

17. Indo-USSR relations are progressing satisfactorily and our contacts in different areas are developing in keeping with our interests. The basic consideration of our policy is to maintain good relations with the USSR on its own merit, not directed against any third country. The most significant feature of USSR's attitudes towards India is their emphasis on continued good relations. They have reaffirmed their desire to strengthen friendship and expand cooperation over several decades. *USSR has been our trusted friend in varied vicissitudes.* The AICC is confident that this relationship will endure in the mutual interests of both countries. The Prime Minister's visit to USSR later this month would be an important landmark in our relations.

18. *Indo-US relations are at a very important juncture, with expectations that relations in the economic field will further strengthen.* India's long standing concern about the supply of sophisticated weapons to Pakistan, beyond its legitimate requirements and about America's apparent soft line on Pakistan's attempts to acquire nuclear weapons capability has, however, been expressed many times. There has been a brisk exchange of visits at a high level recently. The forthcoming visit of the Prime Minister to USA is being looked forward to in both countries. The Prime Minister will inaugurate the Festival of India, which is dedicated to the memory of Smt Indira Gandhi who inspired it.

9 July 1985

19. The AICC affirms its support to the Secretary General of the UNO in his efforts to find a solution to the complex issue in Afghanistan. The AICC is of the firm view that there can only be a political solution and hopes that there will be further progress in the direction of a dialogue. The problem can be solved only on the basis of the fundamental principles of non-interference, withdrawal of foreign troops, non-use of force and respect for sovereignty, territorial integrity and non-aligned status of Afghanistan.

20. The AICC notes with satisfaction that the South Asian Regional Cooperation programme has made considerable headway. It urges the Government to intensify efforts to place the programme on a sound footing.

21. The Congress, true to its commitment to international cooperation, supports the initiatives taken by Government to work for a new international economic order based on equity, justice and cooperation. This is very important in view of the fact that the external economic environment is very much against the interests

of the developing countries. The international financial institutions, dominated as they are by developed countries, are implementing, dominated as they are by developed countries, are implementing policies that are clearly intended to reduce the growth potential of economies of the developing countries. India has always been in the forefront of the struggle for a restructuring of the international economic institutions and has called for a conference on money and finance for development with universal participation. The AICC suggests that the Government continue to press this proposal which alone holds the key to a more equitable international economic system.

22. There has always existed a consensus on foreign policy in the country which has enhanced India's prestige and effectiveness in the councils of the world. The AICC is confident that under the leadership of Shri Rajiv Gandhi, India will continue to make a constructive contribution in international affairs in furtherance of the noble ideals of peace and justice for humanity.

Political Resolution

New Delhi PATRIOT in English 5 May 85 p 4

[Text]

The following is the text of the political resolution at the AICC session on Saturday, reports PTI.

This session of the AICC remembers the person who will no longer preside over it as she did with such distinction and charm for many years. We Miss the inspiring presence of Smt Indira Gandhi who, while alive, achieved spectacular progress in every sphere of national activity and in death fulfilled the promise that every drop of her blood would strengthen the nation and keep it united. Her assassination plunged the world into inconsolable grief.

The country faces momentous issues. There can be no better guide to action than the basic principles which it has been the proud privilege of the Indian National Congress to espouse and uphold throughout the glorious struggle for freedom and subsequently during the historic period of reconstruction. We remember with gratitude and respect the hundreds of thousands of freedom fighters who made tremendous sacrifices to achieve independence. It was to keep this independence intact that Smt Indira Gandhi lived and died.

In the Lok Sabha elections the people of India gave a resounding mandate to the Congress under the leadership of Shri Rajiv Gandhi. This expression of confidence was repeated, by and large, in the elections to the state legislatures that followed in March, 1985. The AICC

places on record its profound gratitude to the electorate whose collective wisdom in reposing their confidence in the party under Shri Rajiv Gandhi's leadership saved the country's unity and enabled it to advance steadily on the path of social and economic progress—the path shown by Mahatma Gandhi, Jawaharlal Nehru and Indira Gandhi.

The political scene in India after the elections shows a tremendous ferment of ideas and hopes. The national commitment to rapid social transformation has been vastly strengthened. Within the framework of nationally accepted strategies for the removal of poverty and for strengthening self-reliance, expectations have been roused for a bold and vigorous thrust of policies to achieve speedier results. The campaign for a clean and efficient public life has touched a responsive chord throughout the country. The policy guidelines enunciated by the Prime Minister in the January 1985 have enthused hundreds of millions of people who are struggling to build a more just and dynamic society. This overflowing enthusiasm and confidence generated by the democratic political process have to be channelled into the task of nation building. Congressmen at all levels must ensure that people's energies are not deflected into negative and destructive activities, of which the danger is ever present in our society.

There is a clear and pressing need to educate the broad masses regarding the basic issues confronting the nation. The danger to the unity and integrity of the country persists. Regionalism is being invoked to create confrontation between the Centre and the States. Subversive forces within the country, temporarily disheartened by the massive mandate received by the Congress have resumed their nefarious game of dividing the people on communal and caste lines. Their strategy is to sap the people of the confidence and unity they had displayed so magnificently during the recent months. Recourse to violence, destruction of public property, killing of innocent persons and false and mischievous propaganda are being employed in a deliberate and systematic attempt to divert attention from the real social and economic issues and to obstruct implementation of programmes and policies that help the weaker sections of society.

Congress has been the torch-bearer of secularism. It has striven uncompromisingly for the fullest protection of minorities. Communal forces had, from the very beginning, made it their central plank to discredit the concept of secularism in a bid to subvert India's unity. Communal riots were provoked on the flimsiest pretexts, leading to loss of life and property and the besmirching of the fair name of the country. The AICC calls upon the government to take stern action to deter and punish as the case may be, forces of communalism and obscurantism. Lapses on the part of the administrative machinery in preventing and controlling communal violence should be severely dealt with.

Communal poison, however, cannot be eradicated by administrative action alone. This pernicious and fascist ideology has to be pulled out root and branch from our social consciousness by the common endeavour of all secular parties, non-political organisations, individuals, intelligentsia and social workers. The AICC notes with satisfaction that the Prime Minister has decided to reactivate the national integration council. In view of the fact that secularism is in article of faith with the Congress, a special responsibility is cast on Congressmen to be in the forefront in the crusade against communalism. Colonial powers utilised communalism to weaken the struggle against imperialism. That attempt having failed, vested interests are now making it the weapon to defeat the common people's struggle for a better life. The fight against communalism is, therefore, a fight for social and economic justice.

The subverters of Indian unity have steadily widened their network of hatred and animosity. In addition to exploiting religion, they are now assiduously stirring up caste hatred. The recent condemnable incidents in Gujarat have revealed the length to which these elements could go in their assault on the social fabric. The AICC however, would not be daunted by these

acts and reiterates its commitment to the reservations provided in our Constitution.

The Congress will ensure the continued advance of the socially and economically disadvantaged sections, particularly the scheduled castes, the scheduled tribes and backward classes. This alone can ensure the balanced progress of the nation, save it from internal tensions and bring about the tremendous impact of all productive forces for a concerted forward thrust. The notion that a few communities can progress at the expense of, or regardless of the backwardness of, the others is erroneous and all people, advanced or backward, should cooperate in putting an end to this pernicious legacy of imperialism.

Punjab is passing through a difficult and delicate phase. The AICC wholeheartedly welcomes the bold initiative taken by the Prime Minister to resume the dialogue. The economic measures announced by the Prime Minister at Hussainiwala will go a long way in reviving the economy of the state which has been hard-hit by extremist violence for several years.

The Congress and its Government have always kept the door open for talks. In this connection the statements by leaders of the Akali Dal on finding a solution within the framework of India's unity and integrity have come not a day too soon, we reiterate that India's unity and integrity are supreme everything else has to be subordinated. It is now for the Akali dal leaders to frame their responses in such a way that an amicable settlement can be brought about with the least possible delay.

The country cannot remain oblivious of the determined effort of a small fringe to keep alive the tensions engineered by the extremists. Violence is being extolled, communal hatred is being deliberately injected into the body politic and the minds of the youth are being poisoned. These unhealthy and destructive trends will be fought with all the strength at our command. The AICC congratulates the PCC and the people of Punjab for the dynamism they have shown in their mass campaign against violence and separatism.

The Congress stands for full safety and protection of the Sikh community residing in any part of the country, as indeed of all communities. Firm action has to be taken against those indulging in violence, subversion and the misuse of places of worship.

The glorious patriotic traditions of the masses of Punjab who have made countless sacrifices for the sake of India's unity and independence must guide the political judgement and actions of all secular, democratic and progressive forces at this critical juncture. The AICC urges the Government to explore all means for peaceful settlement, always keeping in mind that the unity and integrity of India are paramount.

The AICC records its wholehearted approval of the bold initiative taken by the Prime Minister for raising the one of public life in India. The Anti-Defection Bill passed by Parliament within two weeks of the installation of the new Government is testimony to the sincere commitment of the Congress.

The AICC welcomes and fully supports the Prime Minister's view that the administrative infrastructure is a valuable resource for accelerating development and the role of public servants is one of an instrument of change. The values of professional competence, integrity and dedication are needed as never before to enable the government to prove equal to the stupendous and complex task that awaits it. The measures taken by the Government to re-vamp the administration are bound to prove beneficial and salutary.

The AICC places the strongest emphasis on the efficient maintenance of law and order. The disturbing growth in social and economic crimes points to, besides other factors, the need to strengthen and streamline the law-enforcing agencies both qualitatively and quantitatively. The AICC urged the Government to initiate forthwith a thorough and comprehensive review to this end, including the inadequacies of the law, if any, and deficiencies in implementation.

In this context the AICC cannot but take note of the ambivalent attitude adopted by some opposition parties. Democratic politics consists of dialogue and reasoned debate. Dissent should not lead to the rousing of passions to fever pitch. Disagreement with the ruling party should not degenerate into a total disregard for the fundamental values of a stable and orderly society.

It is unfortunate, therefore, that some opposition parties have not observed these salutary principles, perhaps with an eye on short-term political gains. Indeed some have even fraternised with avowedly anti-national and secessionist elements and created an avoidable atmosphere of confrontation and strife. The AICC urges on all the political parties to demarcate areas vital to nation-building as beyond the pale of controversy. National unity and integrity, national defence, communal harmony, planned development, particularly the programmes for the welfare of the down-trodden and law and order are among areas in which a national consensus should be hammered out both in theory and practice.

The historic endorsement by the people, of the policies of the Congress in the recent elec-

tions, has strengthened the forces of national unity. Nevertheless it would be wrong to minimise the anger posed by the forces of destabilisation operating with the support of those outside interests who find an independent and strong India inconvenient to themselves and would therefore do their worst to thwart it.

It is regrettable that the frustration resulting from the defeat of the Opposition parties at the hustings has driven some of them to take to the politics of the street, thus tending to strengthen the forces of destabilisation. The AICC therefore appeals to all secular, democratic and progressive forces to beware of this threat and to strengthen the country's unity in all possible ways.

The AICC welcomes the resumption of efforts to solve the foreigners' issue in Assam. It compliments all concerned who have contributed to the peaceful atmosphere and hopes that a constructive solution will be found soon.

The results of the election have placed a heavy responsibility on the Congress. In all humility. We accept this responsibility and pledge to devote every ounce of our energy to overcome all challenges and to fulfil the promises we have made. We pledge ourselves to preserve the unity and integrity of the nation, to toil unremittingly for speedier social transformation, for the upliftment of the poor and the down-trodden and for building an environment in which the creative energies of the youth will find full expression.

The party has a vital role to play in mobilising the people for national tasks, in enlisting their cooperation in battling social evils and in explaining to the people the significance of the party's policies and programmes. To enable the party to play this role it is essential that its leadership at all levels is fully oriented to the perspectives we have chosen and that the cadres are properly trained and enthused by the new outlook. The AICC calls upon its millions and millions of workers to respond to the new challenge with confidence and dedication.

The country is poised for major advances. Optimism and surge of confidence run through the veins of the people this is part of the spontaneous response of the nation to the leadership of Shri Rajiv Gandhi. This priceless fund of national good-will and affection must be used to generate strong impulses for high national endeavour. The AICC is confident that under the leadership of Shri Rajiv Gandhi, the party will enrich its glorious tradition of service to the people and will take the country forward on its chosen path of socialism, secularism and democracy.

9 July 1985

Resistance to Draft Resolution

Calcutta THE TELEGRAPH in English 14 May 85 p 6

[Article by Nikhil Chakravartty]

[Text]

Six months after Indira Gandhi's assassination, the All India Congress Committee (AICC) which chooses to bear her name even without her, met on May 4 and 5 in the capital bringing out some significant, if not ominous pointers to the present-day realities of Indian politics.

The excitement in the AICC session centred round a single point: the drafting of the resolution on the economic policy. And this excitement has become the talk of the town even after the curtain came down upon the grand inaugural of the Congress centenary celebrations that was staged the day after the AICC meet. The first draft was by most accounts, prepared by the whiz kids around the Prime Minister though of course unsuspectingly tabled by the finance minister. But it met with unexpected resistance within the working committee. Hurried consultations followed and then the AICC passed a drastically revised version.

The key paragraph in the original draft—which authentically reflected the line of those who may claim to be Rajiv's think tank (or, is it the kitchen cabinet?)—was promptly removed from the final draft placed before the AICC. It read: "The strength of the growth impulses of the economy through absorption of modern technology and through appropriate fiscal and legislative changes was imperative to sustain the tempo of industrial development. In the process of continued development, the policy instruments relevant to one stage cannot be treated as permanently sacrosanct. Nor are they ends in themselves."

Seemingly unexceptionable, these lines and a number of others in the original draft were taken by a large number of AICC members—according to one estimate, these include one-third of the Congress(I) members of Parliament—as a retreat from the policy of self-reliance and economic independence initiated by Jawaharlal Nehru and pursued by Indira Gandhi. This piece of refreshing dissent—which has become so rare in the Congress in the last 10 years—is to be traced to the rumblings among Congressmen in the last few months at the conspicuous absence of any public reference to what the nation owed to Nehru and Indira, to the studious avoidance of the word socialism in any public pronouncement. Some of the Prime Minister's observations before the world of big business, both Indian and foreign, gave rise to genuine concern among a large body of Congressmen at the latitudes likely to be given under the new regime to the multinationals, at the liberalisation of the terms of foreign mainly western investments.

The Union Budget has been taken by a number of specialists—many of whom can by no means be branded as leftists—as a rather naive attempt at applying the Reagan administration's supply-side economics to the Indian conditions, while the average Congressman has found that the finance ministry officials' glib assurances of price stability have turned out to be bogus so much so that the food minister six weeks later has had to confess to "unprecedented" price rise.

It is obvious that the present establishment paid little attention to the mood of the Congressmen, not to speak of the public in general. Even the quiet survey reportedly undertaken by the AICC authorities a week after the presentation of the Budget gave sufficient warning about the sense of disquiet prevailing within the

Congress at what they felt was the abandonment of the tested economic strategy followed so far. Quite a few began to recall the Janata's "rolling plan," while those with a long memory could remember Asoka Mehta's notorious offer to "open the womb" to the US investor.

Within the officialdom also, there was a perceptible reluctance by many to subscribe to the philosophy behind the Budget, while the recently completed Indo-US memorandum of understanding for the transfer of electronic technology can hardly claim to command the enthusiastic endorsement of some of the top government specialists in that field.

No doubt it is to Mr Rajiv Gandhi's credit that once he

sensed the discontent and misgiving within the AICC hierarchy, he did not hesitate to change his policy stand. And one could detect he made extraordinary efforts to dispel misgivings among Congressmen by talking rather extravagantly about socialism, and the revised resolution administered an over-dose of self-reliance and about the need for social justice. The fears that Indira Gandhi's anti-poverty programmes might be cut down were strenuously sought to be dispelled and the favourite cliché, pragmatism, suddenly disappeared.

On the plane of formal stand, AICC can claim to have gone against the new economies of the Prime Minister's kitchen cabinet. But a government's policy-stand and the strategy to achieve it are not mere questions of semantics. One wonders how Mr Rajiv Gandhi is going to face up to the grim realities on the ground. Tightrope-walking can hardly be the permanent profession of a political leader who seems to be making too many promises to the public without having any visible means of keeping them.

CSO: 4600/1627

INDIA

TEXT OF FINANCE MINISTER'S STATEMENT ON BUDGET BILL

Madras THE HINDU in English 9 May 85 p 6

[Text]

NEW DELHI, May 8.

Following is the text of Finance Minister's statement in Lok Sabha while moving the Finance Bill giving effect to budget proposals for the consideration of the House.

Sir, I beg to move that the Bill to give effect to the financial proposals of the Central Government for the financial year 1985-86 be taken into consideration.

The salient features of the main proposals in the Finance Bill have been explained in my budget speech. The details of the proposals in the Bill have been set out in explanatory memorandum circulated along with the budget papers. I would, therefore, not like to take the time of the House by covering the same ground again.

During the general debate on the budget, a number of hon'ble members made valuable comments and suggestions on the proposals in the Bill. I have also received a large number of suggestions from trade and industry, professional associations, economists, tax experts and others. I would like to convey my gratitude to the hon'ble members, and to all others for their suggestions.

I have given careful thought to these suggestions. While it is not possible to accept all these suggestions, I have decided to modify some of the provisions in the Bill in the light of these suggestions. In proposing these modifications, I have tried to remove legitimate grievances to the extent possible. I shall now briefly explain the main changes proposed to be made in the provisions in the Bill.

I shall first take up the suggestions relating to the budget proposals in respect of customs and excise duties. Hon'ble members will recall that during the reply to the general debate, I had already announced certain concessions in respect of bidis, and certain items of leather machinery. Further, keeping in view the important role played by the farmer who is the mainstay of our economy, I had also given relief of agricultural implements, specified poultry equipment and for medium power tractors up to 25 h.p.

Having regard to the various representations received I have decided to give relief in respect of some of the other levies. In respect of 'pan masala'

some doubts have been expressed by some hon'ble members as to whether betel nut preparations like scented supari would attract duty as 'pan masala' in view of the tariff description. To put the matter beyond doubt, I propose to exempt from excise duty all preparations which do not include in them lime or catechu of both besides betelnuts.

A number of representations have also been received from the small scale manufacturers regarding the new levy on marble, particularly that it would adversely affect the interest of the units using conventional technology. This being a labour intensive industry and bearing in mind the large number employed, I have decided to reduce the duty on marble slabs and tiles from Rs. 20 per sq. metre to Rs. 10 per sq. metre. Also I propose to completely exempt from excise duty, smaller units producing slabs and tiles using power up to 10 h.p. As a measure of simplification, I further propose to introduce a scheme of compounded levy for units producing marble slabs with the aid of conventional gangsaws.

As a measure of further relief to small units, I propose to liberalise the small scale exemption scheme for tyres, tubes and flaps by extending the exemption to all types of tyres, tubes and flaps as well as by providing for 50 per cent duty concession against the prevailing concession of 33.33 per cent of the duty otherwise payable. I also propose to fully exempt flaps of tyres for two wheelers and three wheelers.

In my original proposals I had reduced the duty for cardboard matches in the cottage sector from Rs. 4.90 to Rs. 1.60. In respect of cardboard matches produced by the other sectors there was either a straight reduction or increase in the rates of the maximum duty differentiated between the cottage sector and the mechanised sector. Thus it went up from Rs. 1.70 to Rs. 5.25. I have had the matter reviewed. In the interest of employment of this industry as a whole, some relief is also warranted in respect of other sectors. I, therefore, propose to revise the rate of duty to Rs. 3.50, Rs. 4.15 and Rs. 5.85 per gross boxes as against the prevailing rates of Rs. 4.50, Rs. 5.15 and Rs. 6.85 per gross boxes respectively. These rates would apply for both cardboard and veneer matches.

Honourable members would recall that in my budget proposals I had liberalised the scheme of small scale exemption for goods falling under item 68 by increasing the eligibility limit of Rs. 75 lakhs and by providing slab rates, the full exemption limit was, however, fixed at Rs. 20 lakhs as against the normal limit of Rs. 7.5 lakhs for specified goods. On consideration of various representations received from the small scale sector regarding this proposal, I have decided to give further relief to small units manufacturing goods falling under item 68. I propose to provide that units manufacturing item 68 goods would pay only 25 per cent of the duty payable for clearances in the range of Rs. 20 to Rs. 30 lakhs as against the earlier proposal of 50 per cent payable up to Rs. 25 lakhs and 75 per cent up to Rs. 40 lakhs.

These measures imply a revenue loss of Rs. 2.42 crores on the Customs side and Rs. 14.5 crores on the Excise side.

I now turn to the proposals to the sphere of direct taxes. Under a provision in the Bill, companies engaged in the business of growing and manufacturing tea in India would be entitled to a deduction up to 20 per cent of their profits deposited in a special account with the National Bank of Agriculture and Rural Development. I propose to extend the scope of this concession to non corporate taxpayers as well, as it has been represented that in certain parts of the country, particularly in the South, there are significant number of small unincorporated enterprises engaged in the business of growing and manufacturing tea and they should also get the benefit. Further, this provision will be made applicable to tea growers who have other business also.

The Bill seeks to provide that exemption from Wealth Tax will not be available in respect of any property forming part of a business carried on by a charit-

able or religious trust, except in cases where the profits of the business are exempt from Income Tax under Section 11 of the Income Tax Act. The income of institutions and funds is exempt in many cases under section 10 of the Income Tax Act. It is logical and a necessary that the net wealth of such institutions and funds, whose income is exempt from Income Tax, should be exempt from Wealth Tax. I propose to make this clarification.

Regarding deduction of tax at source from income by way of winnings from lotteries, since the maximum marginal rate of personal income tax has been reduced to 50 per cent and under Section 80T of the Income Tax Act, only 50 per cent of lottery winnings in excess of Rs. 5000 are subject to income tax, I propose to reduce the rate of deduction of tax at source in such cases from 30 per cent to 25 per cent.

The Bill provides that no deduction shall be allowed, in the computation of taxable profits, in respect of fees paid by a taxpayer in connection with proceedings under the Income Tax Act or any other matter arising under that Act. I also propose to provide that no disallowance will be made under this provision unless the aggregate expenditure of the specified category for an assessment year exceeds Rs. 10,000. While liberalising the provision in the Bill in this regard I also propose to extend its scope to fees paid for advice in connection with tax, penalty, interest or any other matter under the Income Tax Act, the Government has decided that returns filed by taxpayers with an income up to Rs. one lakh will be accepted, with the minimum of formalities. This places greater responsibility on the taxpayer to ensure its completeness and accuracy of the return, bearing this in mind, I am not placing any restriction on the fees paid by the taxpayer for professional assistance in the preparation of the return of income.

The other amendments are of a consequential or drafting nature and I would not like to take the time of the House in dealing with the amendments.—PTI.

CSO: 4600/1631

INDIA

SEARCH FOR LONG-RANGE GUNS FOR ARMY CONTINUES

Madras THE HINDU in English 8 May 85 p 1

[Article by G.K. Reddy]

[Text] New Delhi, May 7--The Defence Ministry has called senior representatives of the competing British, French, Austrian and Swedish armament manufacturers to Delhi for further discussions before finalising the purchase of 155 mm artillery for the Indian Army which needs these long-range guns urgently for augmenting the fire-power of its armoured and infantry formations.

The French had almost obtained the contract last year for the supply of nearly 400 pieces, about half of them self-propelled and the others towed by heavy vehicles, at an estimated cost of over Rs 1200 crores, but the deal was deferred at the last moment when the Austrians entered the arena with an attractive offer for the supply of all the 400 in a towed condition.

The race for this artillery contract subsequently narrowed down to the French and Austrian suppliers after the Swedes opted out for all practical purposes and the British were far behind the other three in this relentless contest go bag this big military contract for straight sale of a certain proportion of these guns followed by licensed production.

Tough competitors: The French remained well ahead of all others because of the superiority of their 155 mm gun incorporating all the latest developments. But the Austrians proved to be tough competitors and much better salesmen in getting the message across that a towed gun rather than a tracked one would be more simple to use under Indian conditions.

The search for the acquisition of these 155 mm heavy guns started as far back as in 1980 when India started negotiating with the United States, since the Soviet Union did not have comparable artillery of this calibre to meet the Indian requirements. The talks with the U.S. were called off when the Americans tried to impose unacceptable political constraints on this transaction.

The Army became restive over the inordinate delay in selecting a suitable alternative from anyone of the four European countries which were keenly competing for the contract. The deal was nearly clinched last year since the U.S. had by then sold a number of these high calibre guns to Pakistan.

The Punjab crisis, the assassination of Mrs Indira Gandhi, the parliamentary elections that followed and the other preoccupations of the new Government came in the way of the long-over-due decision. It was further complicated by the French involvement in the recent espionage episode.

No more hesitation: But now the dust has settled enough for the Defence Ministry to take a fresh look at different offers and select the best available gun without any inhibition. The new Ambassador of France, Mr Jean Bernard Mermice, will be presenting his credentials to the President, Mr Zail Singh, on Friday, May 10. And the French Government is all set to accord a warm welcome to the Prime Minister, Mr Rajiv Gandhi, when he arrives in Paris on June 5 on a State visit on his way to Washington.

The French President, Mr Francois Mitterrand, and the Prime Minister, Mr Laurent Fabius, will certainly utilise the opportunity to the maximum extent to get over the embarrassment of the espionage episode and revive the old glow in Indo-French relations. And it would not be surprising if the French succeeded in the process of salvaging the artillery contract for the supply of both the tracked and towed versions, or just the self-propelled ones, by offering better terms.

The Indian Army is not interested in the politics of this transaction, but it is keen on getting the best available guns from any source. The Chief of the Army Staff, General A.S. Vaidya, has been telling all concerned that any further delay would be detrimental to the country's defence.

CSO: 4600/1629

INDIA

ANALYST NOTES FRENCH EFFORTS TO SELL ARMS TO INDIA

Madras THE HINDU in English 24 May 85 p 1

[Article by G.K. Reddy]

[Text]

NEW DELHI, May 23.

After India decided not to buy the British Westland helicopters, France has renewed its offer to sell its Dauphin transport helicopters for use by the Oil and Natural Gas Commission (ONGC) and the VIP squadron of the Indian Air Force.

The Indian experts seem to prefer the French-built Dauphin to the British Westland if the two Governments could settle the price, the payment procedures and the delivery schedules for the 21 helicopters required by the ONGC and six by the Air Force.

The French renewed the offer during the recent visit of the Defence Secretary, Mr. S. K. Bhatnagar, to Paris for the third meeting of the Joint Committee which meets once a year to review the working of the inter-governmental Memorandum of Understanding (MOU), signed by India and France in 1982 to provide a mutually acceptable basis for sale of defence equipment. This MOU had been signed before India decided to buy 40 Mirage-2000 aircraft along with the option to assemble locally and manufacture progressively more of these planes.

Bid for sale of artillery: The French are also pressing hard to obtain the contract for the supply of 155 mm. artillery for the army, both in its self-propelled and towed versions. A decision is expected to be taken soon, since the Defence Ministry has had further discussions with the representatives of the British, French, Austrian and Swedish manufacturers, competing for this massive contract that will run to well over Rs. 1,000 crores.

The French have got over the recent setback suffered in their relations with India over their

involvement in the recent espionage episode. If the East German, Polish and Soviet involvement in the same scandal has not come in the way of Indo-Soviet relations, it is unlikely to mar India's growing relationship with France.

Mending fences with France: The former French Ambassador to India, Mr. Andre Ross, who is now envoy to Japan, has been appointed Secretary-General of the Foreign Ministry in Paris, and his successor in Delhi, Mr. Serge Boidevaix, who was asked to leave in the wake of the spy scandal, bearing constructive responsibility for the misbehaviour of his Deputy Military Attache, has been promoted as a Deputy Secretary-General.

The new French Ambassador to India, Mr. Jean-Bernard Marimée, is an influential person of the French diplomatic establishment. The three together are going to work hard to restore the old glow in Indo-French relations and pave the way for increased cooperation.

Setting the right tone: It is not without significance that the Prime Minister, Mr. Rajiv Gandhi, decided to go ahead with his visit to Paris despite this embarrassment. His talks with the French President, Mr. Francois Mitterrand, and the Prime Minister, Mr. Laurent Fabius, are bound to set the right tone for renewed Indo-French commercial and defence cooperation.

The Prime Minister's engagements in Paris include a visit to the famous air show at Le Bourget airport where he will have an opportunity to see the Mirage-2000 aircraft that India is buying and some other items including the Dauphin helicopter that France is trying to sell for the ONGC and the VIP squadron of the Air Force.

CSO: 4600/1648

INDIA

PAPERS REPORT ON PUNE LAB FOR EXPLOSIVES R&D

'On Par With Europe'

Bombay THE TIMES OF INDIA in English 10 May 85 p 9

[Article by B.M. Purandare]

[Text] Pune, May 9--The recent agreement with Italy on co-operation in research and development of defence systems might create an impression that the Indian scientists have been lagging behind in the development of advanced weaponry system. This is far from the truth.

The agreement with Italy is restricted to the field of electronics and is aimed at producing items which necessarily have to be imported. In the development of explosives, Indian scientists are on a par with their counterparts in European countries.

The claim that India is on an equal footing with the European countries has been made by Dr K.R.K. Rao, Director of the Explosives Research and Development Laboratory (ERDL) at Pashan, near here.

One of the most significant technological achievements of ERDL is the development of the process for an oxygen regenerating compound known as potassium superoxide. This chemical is useful in submarines, mine rescue work and fire rescue operations, in addition to toxic gas and high-altitude warfare.

Till now only Russia, the US, Japan and West Germany have produced this compound. The plant can produce five tonnes of this chemical annually.

ERDL's Growth

The ERDL is concentrating on developing new technologies, irrespective of the immediate requirements. For example, the semi-combustible cartridge case technology initiated in the late sixties proved invaluable a decade later for the main battle tank, Vijayanta.

This research body assumed the present designation and responsibilities in 1960 as a major constituent of the Defence Research and Development Organisation (DRDO). In the beginning it had limited manpower and accommodation.

Within six years, the scientists accomplished a major success with the development of charge line mine clearing (CLMC) for the army. This is a complete equipment for breaching mines for the troops to advance in a heavily mined battlefield.

The development of the system was completed in a record time of two years. About 2,000 CLMC units were produced and supplied to the army to meet its urgent requirements prior to the Indo-Pak war in 1971.

The CLMC equipment is carried by 12 persons in the areas which are mined. The equipment, in the form of coil of pipes, when placed in the area, straightens itself and the mines explode. It then creates a crater thereby enabling troops to pass through in a single file.

Before the discovery of this equipment, the loss of life in mined areas was nearly 80 percent. The ERDL is now developing a similar equipment for vehicles moving in advanced areas.

Another technological breakthrough is in the development of an unconventional high energy propellant containing explosives to impart greater range and penetration to its ammunition. The researchers, aware of the consequent adverse effect of the propellant on the life of the gun barrel, immediately designed a protective liner. It increased the life of the gun barrel from a mere 125 rounds to 3,000 rounds.

A long burning sustainer propellant with 180 seconds duration was another breakthrough in the field of rockets and missiles, a crucial requirement for keeping the crew fighting fit and for weapon evaluation.

Incendiary shells for high spinning ammunition had remained an impregnable grey area for several years and the ERDL achieved yet another breakthrough with the development of a high explosive incendiary ammunition.

New Tear-Gas

The ERDL has also developed a multiple ejection tear-gas shell to control unruly mobs. Thirty two tear-gas shells are ejected simultaneously instead of three in the conventional shell. This covers a wider area in about two seconds.

A team of journalists, who were recently taken round the Pashan establishments on the occasion of its silver jubilee beginning tomorrow, were informed by Dr Rao that the scientists were dedicated and were not lured by attractive emoluments elsewhere.

Dr Rao said the 500 staff members, of whom 15 percent are women, were partners in all programmes of the DRDO on weapons and fighting equipment. The budget has gone up this year to Rs 4 crores as against Rs 60 lakhs in 1963.

9 July 1985

He said the scientists had successfully participated in a number of projects in the field of mortars and small arms, life-saving power cartridges for military aircraft, flares for anti-tank missiles, missile target practice, and pyrodevices for air-to-air and surface-to-air missiles.

The ERDL scientists believe that research and development is incomplete without basic research to complement the development. This has led to the publication or presentation of 80 papers in various national and international journals. The ERDL has also been recognised by universities for post-graduate research.

The ERDL has successfully met all the critical requirements of explosives for the navy, air force and army. The scientists claim that their research has saved foreign exchange to the tune of about Rs 100 crores.

Correspondents Tour Installation

Calcutta THE TELEGRAPH in English 10 May 85 p 7

[Article by Lekha Dhar]

[Text]

Pune: When a soldier fires an anti-tank missile with deadly accuracy or a pilot ejects safely from a crashing fighter aircraft or an infantry unit blows off a minefield, they are paying indirect tribute to the genius of the Explosive Research and Development Laboratory scientists. India's three armed forces totally owe the efficacy of their ever-increasing firepower to 25 years of painstaking, exacting and hazardous research at the massive laboratory complex at Pashan near Pune.

In the sprawling establishment surrounded by hills, lies the country's only hope of "covering herself with a chinkless armour" as the ERDL director, Dr K.R.K. Rao, puts it. Having witnessed 25 "explosive" years, this establishment, classified as "vulnerable" is looking forward to keeping pace with the rapidly changing times of defence research.

"Weapons without explosives are like a lifeless body. Our job is to inject life into them," Dr Rao, who took over in 1979, says, "Looking back with a sense of introspection,

ERDL has every reason to feel highly satisfied as these 25 years constitute years of success, achievements and technological breakthroughs." The Union defence minister, Mr P.V. Narasimha Rao, presided over the laboratory's silver jubilee function scheduled for tomorrow.

Before conducting a team of correspondents on a tour of the complex, Dr Rao explains: "Explosives play a vital role in the defence efforts of any country. With the phenomenal progress in science and technology of weapons systems, modern warfare has become more complex. Weapons may be imported but generally not explosives in view of the safety factors." With the sole aim of packing in more and more power in to the country's weapons systems, ERDL was set up as a major constituent of the Defence Research and Development Organisation (DRDO) in 1960. But the organisation has existed since 1908.

It started as a chemical examiners' office at Nainital and became what it is in 1960.

Since then ERDL has been engaged in the development and production of propellants for a large number of guns, mortars, small arms, rockets, missiles and life-saving power cartridges for military aircraft flares, including infrared (for anti-tank missile), decoying missile target practice, illuminating candles, smokes, delays, incendiaries for various ammunition and range of pyrodevices for air-to-air and a surface-to-air missiles.

Notwithstanding its modest inception, ERDL achieved a major success when it developed the charge line mine-clearing for the Army in 1966. Talking about the importance of CLMC Gp Capt. K.K. Pandey, ERDL deputy director, says: "Before we developed

this system we had to literally blow off our soldiers before knowing that a minefield was clean. But with the development of CLMC, ERDL scientists have devised surefire system to clear a minefield without losing a single soldier." The system contains a rocket linked with six hoses filled with explosives. When fired over a particular stretch of a minefield, the rocket lifts the hoses and settles at the other end, totally blowing off the mines in between. Costing Rs 12,000, one such system can clear 600 feet with near-absolute accuracy. The system leaves in its wake a foot-and-a-half wide stretch of safe walking space for the infantry. "ERDL is in the process of developing a similar system for clearing mines for tanks and other vehicles," Gp Capt. Pandey says. Before the advent of the system the casualty rate was 80 per cent. Now it is nil. ERDL has since met the Army's requirement.

ERDL's high point of success is what Dr Rao describes "a significant breakthrough" in the development of a new and unconventional high-energy propellant packed with high explosives which has given enhanced range and penetration to the main battle tank ammunition. "With the high energy propellant," says Gp Capt. Pandey, "We soon found that the MBT gun barrel was

fast suffering erosion. This brings down the performance of the MBT barrel." To protect the barrel from rapidly eroding, ERDL scientists embarked on another research and stumbled onto a second breakthrough. It was the development of a protective liner for the MBT barrels. The liner not only protects the barrel against fast erosion, but has increased its life from 125 rounds to 3,000 rounds.

An infantry unit encounters a peculiar and somewhat tedious problem when it comes to recovering brass cartridges of the used rounds. "It not only consumes crucial time in a war but often exposes an infantry unit to counterfire," according to Gp Capt. Pandey. The brass cartridge cases being an expensive proposition, it is mandatory to recover them after firing. ERDL experts have produced semicombustible cartridge cases in which nearly 80 per cent of the cover burns up on being fired. "This saves a soldier the trouble of looking out for empty cases," he observes. The laboratory has now gone a step further and replaced the brass at the bottom of such cases with steel. This has considerably cut down the expense of importing brass and consequently saves a lot of foreign exchange. The semicombustible cartridge cases have "enormously" improved the logistics and ballistics in addition to economy. "These three achievements," according to Dr Rao, "Represent major contributions to the MBT project and have been rewarded by the DRDO with a 'Silicon sub-trophy'."

A long-burning sustainer propellant with 180-second duration is another technolo-

gical breakthrough in the field of missile and rocket propellants involving a special polyester resin inhibitor. ERDL has also developed high energy incendiary ammunition, breaking the hitherto impregnable grey area in incendiary shells for high-spinning ammunition. While the pilot plant for the semicombustible cases, completed in the late 70s, proved invaluable to the MBT, new technolo-

gies for rockets and missile propellants helped ERDL make propellants for air-to-air and air-to-surface artillery, surface-to-air anti-tank missile and power cartridges for military aircraft.

Perhaps the most significant and ambitious project undertaken by ERDL is that of high-melting explosive production. Supposed to be the most powerful explosive, HMX is considered the backbone of firepower. ERDL set up a production plant for continuous production of HMX, "a privilege only a few countries have today," as Dr Rao puts it. The plant now produces five kilos per hour.

ERDL has so far set up pilot plants for semicombustible cartridge cases, HMX, solvent and solventless propellants, polyester resins, ethyl cellulose, dense nitrocellulose, 2-nitro diphenylamine, composite, double base and CMDB rocket propellants.

Two of the most important life-saving kits developed by ERDL are power cartridges for fighter aircraft and the air regenerative system. Life-saving power cartridges fitted in fighter aircraft enable pilots in distress to eject safely.

Some other significant achievements of the ERDL are:

- Teargas grenades: As against the conventional teargas shells which shoot only three pieces generating teargas, this system in two seconds simultaneously releases 35 pieces covering larger areas and proves more effective in controlling irate mobs.

- A closed vessel apparatus with analogue and digital read-out for evaluating gun propellants. It does away with the gun with all its variable parameters and costly ammunition to a major extent during research and development.

"Our estimate is that due to these developments the country has been able to save about Rs 100 crores in foreign exchange," Dr Rao says. At least in 37 major contributions in the fields of systems, technologies and explosives and allied chemical process, ERDL has done pioneering research. "We see to it that ERDL goes on with its research and keeps pace with countries, bomb to bomb," he adds.

During the last two-and-a-half decade ERDL has grown to 135 projects, 1,250 staff, 545 scientific staff and 525 others. It has a budget of Rs 4 crores.

To a query whether ERDL is into nuclear research, Dr Rao says: "We have nothing to do with it." However, ERDL extends support to the Bhabha Atomic Research Centre.

9 July 1985

INDIA

SUBMARINE, OTHER CONSTRUCTION PROJECTS DELAYED

Calcutta THE TELEGRAPH in English 8 May 85 p 1

[Article by Olga Tellis]

[Text]

Bombay, May 7: Construction of India's first submarine which is being assembled at the Mazagon Dock Limited has been indefinitely delayed and it is not known when the project will be completed.

According to MDL sources, the submarine was just one of the several prestigious projects connected with India's defence and oil exploration needs that have been delayed and were completely out of gear. Among them were the water injection platform ordered by ONGC which was not yet completed, offshore vessels of which eight were ordered and only two allegedly delivered, and delay in delivering the naval ships Trishul, which was sent for modernisation, and Tir, which was a new ship to be built.

A 2,400-tonne derrick barge which was to be built indigenously was incomplete and 300 packages for this derrick barge which carries a floating crane were lying idle.

The submarine had teething problems involving sophisticated welding techniques for the hull that Mazagon Dock technicians were unable to execute to the satisfaction of the German supervisor at the MDL. According to reports, the Germans who

were to ship the submarine parts are ready to do so but MDL is not ready to receive them.

Though the project was inaugurated by Mrs Indira Gandhi in May last year, the submarine is nowhere in sight. Sources said MDL has not been able to finish even the civil engineering works for the three workshops.

MDL had an agreement with the German firm of Haward Deutsch of Kiel, to construct an 1,800-tonne submarine at MDL in Bombay. The Germans would simultaneously construct one at Kiel for the Indian Navy. While the Germans were ready with their submarine, MDL was lagging behind, according to reliable sources.

A major problem faced by Mazagon Dock was shortage of trained personnel for this project. It was reliably learnt that at least two officers—Capt. S. L. Sachdeva and Mr K. R. Menon—who were trained specially for the project have left the company. Mr Menon allegedly went back to his parent unit in the Indian Navy after training in Germany and Capt. Sachdeva was said to have resigned last month. He held the rank of deputy general manager, in charge of the submarine project.

As the project is shrouded in secrecy, it was difficult to get further information but the

situation was reported to be serious as there were no experts right now supervising the project. A warship superintendent in the Navy may be reportedly asked to supervise the project. But sources said this was no way to handle such a top priority project.

However, this was only the tip of the iceberg as far as the problems of Mazagon Dock were concerned. Its highly-trained manpower resource was being drained dangerously due to the "autocratic and unruly behaviour" of the chairman and managing director of Mazagon Dock, Commander Nand Kishore Sawhney.

A highly qualified and efficient engineer, Mr Amiyo Banerjee, who was forced to quit the company last year has sued MDL and Commander Sawhney in his personal capacity. Mr Banerjee has claimed damages from Commander Sawhney of Rs 6.50 lakhs for "abuse of authority" coupled with "officious and arbitrary actions entirely out of personal animus, whims and caprice," which resulted in Mr Banerjee suffering a nervous breakdown and being unable to get a job worthy of his qualifications. Mr Banerjee had been general manager (planning and coordination) in MDL since 1980.

CSO: 4600/1628

9 July 1985

INDIA

EFFORTS UNDERWAY TO REVIVE DEMAND FOR UTTARKHAND

Bombay THE TIMES OF INDIA in English 17 May 85 p 12

[Text]

CALCUTTA, May 16: Even as several Naxalite groups are gearing themselves for a meeting in North Bengal to form a third Communist Party of India, the area is again witnessing an attempt to build up the "Uttarkhand movement" whose purpose is to carve out a separate homeland for the "Rajbanshis", the original inhabitants of the plain areas there.

The Uttarkhand movement is sought to be revived about five years after it had apparently died down following a massive political campaign against it by the constituents of the Left Front. This time its leaders have joined hands with another organisation, the Upajati Juba Kalyan Samiti.

The samiti has been agitating for some time for a better deal for the scheduled castes and tribes. On Tuesday, members of the organisation organised a road block in support of their demands in the Cooch Behar and Jalpaiguri districts of West Bengal. According to the home secretary of West Bengal, the movement was peaceful.

The state government feels the demands of the samiti can be viewed with a degree of sympathy, as these have largely emanated from genuine grievances. However, what is causing concern is the fact that the samiti leadership includes those spearheading the Uttarkhand movement.

Of the Left Front constituents in North Bengal, the Forward Bloc is particularly apprehensive of these moves and its minister from Cooch Behar, Mr. Kamal Guha, has already drawn the chief minister's attention to this.

CSO: 4600/1643

9 July 1985

INDIA

FURTHER LIBERALIZATION OF LICENSING RULES REPORTED

Madras THE HINDU in English 25 May 85 p 1

[Text]

NEW DELHI, May 24.

In a major step towards further liberalisation of licensing rules, the Government today announced the grant of exemption from clearance under Sections 21 and 22 of the Monopolies and Restrictive Trade Practices (MRTP) Act for a wide range of industrial products.

The items exempted now number as many as 27. In addition, there are a host of sub-items under group headings like electronic components and equipment, machinery for the chemical industry, printing machinery and drugs and drug intermediates.

Organisations of businessmen including the Federation of Indian Chambers of Commerce and Industry (FICCI) and the Associated Chambers of Commerce and Industry (ASSOCHAM) had, while welcoming the various measures announced by the Finance Minister in the budget, urged further relaxation of the provisions of the Act and the related rules.

The announcement today by the Industry and Company Affairs Ministry said the provisions of the two Sections would not apply to any proposal in respect of any industry or service specified in the schedule appended to the notification, which would remain in effect for five years.

Small sector products

However, such proposals should not relate to any article that might be reserved for exclusive production by small-scale industrial undertakings under the Industries (Development and Regulation) Act.

Those making proposals for the manufacture of the listed items are advised to submit to the Department of Company Affairs, the details of their proposals.

As a result of the relaxations now announced, the list of industries exempted from the

provisions of the two Sections, hitherto containing only nine select industries, will now contain 27 product ranges. A large variety of items has been clubbed under some group headings.

Scope of sections

The two Sections bar large industrial houses which come within the ambit of the Act from setting up new capacity or from making substantial expansion of the existing facilities for the manufacture of industrial goods other than those specifically exempted from its provisions. In rare cases, exceptions were to be made.

Among the items granted exemption are cement, pig iron, castings and forgings, alternative energy devices and systems, transmission line towers, electrical motors with starters and internal combustion engines.

A large range of electronic components and equipment including items required for the electronics industry (other than the specified types of integrated circuits), computers, computer peripherals, computer software, magnetic tapes for use in computers and video equipment, hard discs, floppy discs and diskettes for computers, test and measuring instruments, materials for electronics, broadcasting equipment, control instrumentation, and industrial and professional electronics and communication equipment have been exempted.

It was stated that in respect of electronic components and equipment, exemption would be available only if the MRTP house establishes in-depth production facilities vertically integrated. It would not be open to them to take up mere assembly work from imported kits.

Among other exempted items are all kinds of automotive vehicles and their components, spares and ancillaries, pollution control equipment, process pumps, process equipment for recycling wastes, chemical process plants, rup-

ture discs, special pneumatic callibrators, karbate pumps and centrifugal gas compressors for the chemical industry, air compressors, industrial valves, and homogenisers for the dairy industry.

Printing industry

For the printing industry, exemption would be available for manufacturing web for high-speed letterpress rotary and offset rotary printing machines, having a cylinder speed of 30,000 an hour, photocomposing and typesetting machines along with key boards, editing terminals and film and paper processors, four/two colour offset machines and newsprint.

High tech. bulk drugs

For the drug and drug intermediate industry, the exemption would apply to high technology bulk drugs manufactured from the basic stages and formulations having a 1:5 ratio of drug consumption (from own manufacture) to formulations from all sources.

The drugs and intermediates listed in the notification include rifampicin, dapson, clofazimine, primaquin, ethoxy methylene malonic ester (EMME), novaldiamine, insulin, anti-cancer drugs, vitamin B6, norgestrel, piperazine and new bulk drugs developed through indigenous research.

Other items exempted

The other items granted exemptions are: machine tools, toolroom products, industrial machinery for drilling and production of mineral oil and natural gas, mechanised sailing vessels up to 10,000 DWT for meeting the needs of the oil industry, in particular, oilfield services, inorganic fertilizers cited under "10 fertilizers" in the first schedule to the Industries (Development and Regulation) Act, excluding the fertilizer industry dealing with single superphosphate.

CSO: 4600/1649

INDIA

REPORT ON OUTCOME OF NAXALBARI MEETING OF NAXALITES

Bombay THE TIMES OF INDIA in English 27 May 85 p 9

[Text]

CALCUTTA, May 26.

IF the need for unity is particularly felt by any section of political forces in the country, it is the Naxalites who have made an attempt recently in this regard.

Ever since the cracking up of the original Communist Party of India (Marxist-Leninist) (CPM-ML), the Naxalites have found themselves split up into small and splinter groups. Each has realised the importance of uniting with the other to be able to emerge as a force of any consequence, but has failed to do so, mainly because of personal differences which are couched in ideological jargon.

Viewed in this context, the coming together of six groups at Naxalbari last week does appear to be an important landmark, but only till such time as one takes a careful look at the composition of the new organisation that has emerged.

The Communist Organisation of India (M-L) that was formed after a week-long meeting marking the 18th anniversary of the Naxalbari uprising, is made up of groups that were not much more than paper organisations. With the possible exception of Mr. Kanu Sanyal's Organising Committee of Communist Revolutionaries (OCCR), none of the other groups, like the Liberation Front, the Indian Communist Party or the CPI (M-L), (Kaimur Range), had till the merger shown any signs of existence beyond a signboard and some individuals.

PERSONAL CHARISMA

Even the OCCR's importance stemmed largely from the personal charisma of Mr. Sanyal and actionwise has so far fallen far behind the groups led by Mr. Vinode Mishra, Mr. Nisith Bhattacharya and Mr. Ajijul Haq.

Mr. Sanyal himself is aware of the limitations of the new group, of

which he has emerged as the general secretary. He told this correspondent at Naxalbari, "We know that we are a tiny force but we hope that the CPI (M-L) will act as the nodal point for a bigger unity among the communist revolutionaries". However, he was emphatic that the COI (M-L) would have nothing to do with Vinode Mishra or those who still adhere to the self-defeating politics of the late Charu Mazumdar, "for the simple reason that I do not understand their brand of Marxism-Leninism." In other words, he would have no truck with those Naxalites who could perhaps have added to the relevance of his new organisation.

It was also evident that mutual trust was not the keynote of the new relationship between him and the five others who were all members of the COI (M-L's) central committee. Mr. Sanyal laid over stress on the maintenance of inner-group democracy. (He devotes a major part of any discussion on the constitution of the new group to "our firm decision that the minority opinion will not be ignored".) It meant that while the others had certainly gathered round him to climb the bandwagon of his popularity, they had also made it clear that their support should not be taken for granted.

Mr. Subodh Mitra, one of the former group leaders, told this correspondent after a long briefing by Mr. Sanyal, "Whatever Comrade Sanyal told you had been earlier discussed by us. While he will continue to be our spokesman, if at any point of time he decides to go beyond his brief he will have to have us around".

However, there is no agreement on the extent to which the new leadership should be supported and the leaders of the COI (M-L) failed last week to come to any under-

standing on this question. Asked about this, Mr. Sanyal said, "We are still discussing the subject", continued discussion being a Marxist euphemism for non-agreement. He then went on to make the somewhat strange observation, "The internal affairs of a fraternal party should not concern us", having perhaps forgotten for the time being that the "internal affairs" of the Soviet Communist Party at its 20th congress had led to a split in the entire communist movement.

From its very inception, the old CPI (M-L) had been plagued with questions about the Chinese attitude towards it. Perhaps to steer clear of that trap, the new organisation has come to a broad agreement that it will not be bothered by "what outsiders think of us". But then it has not been able to shake off the Indian communists' constant urge to have a father figure abroad and in this case seems to have turned its eyes to a new direction — Albania — and its late leader, Mr. aver Hoxha.

NEW STANCE

Among the resolutions adopted was one mourning the death of Mr. Hoxha, to whom homage was paid for his role "in liberating the Albanian people." Explaining this, Mr. Sanyal said "We have paid tributes more to Mr. Hoxha as a person rather than to his subsequent politics."

Later, while justifying the decision of the meeting not to form a party but a group only he again referred to Albania and said, "Over there also, the Albanian Labour Party came into existence after the revolution." He could have also mentioned Cuba, where Dr. Fidel Castro did not become a communist before the ouster of Batista but he perhaps did not because to revolutionaries, Cuba has degenerated into a "running dog of Soviet neo-imperialism."

At this stage, Mr. Sabuj Sen, of the erstwhile Liberation Front, interjected to say, "We are still studying Albania's role in the international communist movement." While that was meant to stress that Albania was yet to be accepted, it nevertheless also revealed that the new group had chosen to take the tiny European socialist country, right now basking in splendid isolation, with a considerable degree of seriousness.

While on the issue of the international communist movement, the new group may have adopted a new stance, at home its declared positions are in the nature of a half-way house. It has abjured the path of "individual terrorism which is the line of petty bourgeois terrorists" and which has earned for it the contempt of the hardliners. But having done so, it has not been able to draw up a programme which could have distinguished it as a force totally new in its ideas.

For example, on the question of parliamentary democracy, its thinking is certainly vague. It has refrained from repeating the words of Charu Mazumdar, "Parliament is a pigsty." But it has affirmed that it has no faith in the parliamentary process, still maintaining that it will "certainly participate in elections to mobilise the masses wherever necessary."

Mr. Umabhar Singh, the lone Naxalite member of the Bihar assembly, and Mr. Sanyal and others said that in a country with such unequal levels of development, participation in elections could not be avoided as a means of awakening mass consciousness. Thus the new organisation made it clear that it was not shutting the doors to overt and accepted political activities.

Similarly, its other programmes, though professedly radical, are actually along the beaten track. For instance, while hitting out at the "economism" of the CPI and the CPM, Mr. Sanyal said, "We are organising

our own union among the jute workers and will soon hold a convention to highlight their demands. However, we will not stress on their immediate economic grievances alone, but prepare them for a bigger struggle". He concedes, "Of course, it is very difficult to get the workers to be interested in anything more than their wage demands."

When Charu Mazumdar and others decided to call their party the CPI (M-L), it was to distinguish it from the CPI and CPM. But why have the Marxist-Leninists to call their party not as the Communist Party of India but the Communist Organisation of India, a new name which should have needed no distinctive additions? To this, Mr. Sanyal

said, "People in India have come to associate the term Marxist-Leninist with revolutionary activities and so we have gone in for it." Incidentally it was learnt that the name had been debated for long. While Mr. Sanyal himself did not like the addition in brackets (which perhaps reminds him of his days in the old party and which he wants to forget), he had to bow down to pressure from others.

Beyond the coming together of the six groups, the declared policies of the new group contain nothing that should cause their "class enemies" to sit up. In fact the COI (M-L)'s announcement that it will engage itself in "united actions with other opposition forces to fight the anti-people policies of the Congress at the Centre and the left front in West Bengal" makes it clear that it itself does not view it to be anything more than another opposition force and a small one at that.

Even in Naxalbari, where Mr. Sanyal has spent his entire political career, his influence today is by all accounts limited. This was amply borne out at the public meeting held after the conference where the small-sized audience began melting away when it became clear that he would be the last to speak. The listeners clearly had no interest in the others.

INDIA

BRIEFS

NEW TAMIL PARTY--Madras, May 14--A new body called the Tamil Eelam Supporters' Organisation (TESO) has been formed by some political parties with Mr M. Karunanidhi, the DMK president, as its chairman. Mr P. Nedumaran, Tamil Nadu Kamaraj Congress president, told newsmen here yesterday that apart from himself, the TESO's leadership included Mr K. Anbazhagan, the DMK general secretary, and Mr K. Veeramani, general secretary of the Dravida Kazhagam. The objectives include helping the Tamil partisans to carry on the struggle against terrorism in Sri Lanka, helping the refugees, and propagating the demand for Tamil Eelam at the national and international levels. Meanwhile a press release of the Liberation Tigers of Tamil Eelam claimed that 12 Sri Lankan soldiers were killed and several others injured when a military convoy was ambushed on Sunday on the Koddigama-Kandy road, 20 kms from Jaffna. [Text] [Bombay THE TIMES OF INDIA in English 15 May 85 p 14]

SEVENTH PLAN DRAFT--New Delhi, May 8 (UNI)--The draft seventh plan (1985-90) is scheduled to be finalised by the end of July, according to the annual report of the planning commission for 1984-85. The formulation of the draft plan has been taken up in the light of policy thrusts and programmes enunciated in the approach paper. The approach paper, approved by the National Development Council in July last year, has visualised a total investment of Rs 320,000 crores in the seventh plan--Rs 180,000 crores in the public sector and the rest in the private sector at 1984-85 prices. A national information centre terminal was installed in the commission and a system for a data bank was developed and implementation of the system initiated, the report said. [Text] [Bombay THE TIMES OF INDIA in English 9 May 85 p 9]

NEW ASSAM UNION--New Delhi, April 23 (PTI)--A delegation of the All-Assam Elected Students' Representative Union (AAESRU) today met the Prime Minister, Mr Rajiv Gandhi, and suggested immediate convening of a conference of all national political parties and organisations concerned to evolve a consensus on the cut-off year to solve the foreign nationals problem in Assam. The delegation headed by the president of the union, Mr Dudu Dutta, also submitted a memorandum to the Prime Minister and offered cooperation as "the true and elected representatives of the present generation of students" in the state. The union, representing over 50 colleges in the state, broke away from the All Assam Students' Union (AASU), the major sponsor of the

five-year-old agitation on foreign nationals issue, to form the parallel organisation. The delegation suggested three measures that could constitute the "broad framework" to find a solution to the foreign nations problem. It said all infiltrators who had entered the state after March 25, 1971 should be immediately detected and deported. They also suggested reservation of at least 80 percent of seats in the state assembly and of the state's seats in the Lok Sabha for the local people who had settled in Assam prior to 1951. Similar reservations in all spheres of employment, economic benefits and education for the local people should be ensured. They also suggested immediate construction of barbed wire fencing along the Indo-Bangladesh border and all-weather border roads and proper manning of the border posts. [Text] [Bombay THE TIMES OF INDIA in English 24 Apr 85 p 1]

ROCKET PROPELLANT DEVELOPED--Bombay--Hindustan Organic Chemicals Limited has produced a vital chemical called 'dinitrogen tetroxide' (popularly known as N_2O_4) for application in rocket propellants for satellite launchings by the Vikram Sarabhai Space Centre (VSSC) for weather forecasts and other research and development probings. Dinitrogen tetroxide is a chemical which provides oxygen to the rocket propellants for efficient combustion. The knowhow has been supplied by Uhde India Limited. The input is raw N_2O_4 produced as an intermediate in HOC's concentrated nitric acid plant. Pure N_2O_4 is produced by distillation process. [Text] [Madras THE HINDU in English 24 Apr 85 p 26]

MINISTER'S ADDITIONAL PORTFOLIO--New Delhi, May 12--Mr Arif Mohammad Khan, Minister of State for Industry and Company Affairs, will hold additional charge of the Minister of State for Home Affairs, a Rashtrapati Bhavan communique said here tonight. Mrs Ram Dulari Sinha is currently assisting Home Minister Mr S.B. Chavan as the Minister of State for Home Affairs.--PTI [Text] [Madras THE HINDU in English 13 May 85 p 1]

NEW NAVAL AIR STATION--Port Blair, May 12--The country's third naval air station and the first in the Andaman and Nicobar Islands was commissioned by the Defence Minister, Mr P.V. Narasimha Rao, here yesterday. The station named "INS Utkrosh" has facilities to operate the Navy's Islander aircraft so as to strengthen naval aviation in the strategic Andaman Islands in the Indian Ocean. Mr Rao said the need for basing naval aircraft here was felt so as to safeguard the country's territorial integrity and maritime interests by protecting the exclusive economic zone and preventing poaching. He announced that the Navy would take over the airfield in Visakhapatnam and ultimately have a naval air station there, the fourth in the series after Cochin, Goa and Port Blair. The Minister said though the Andaman Islands appeared to be isolated geographically, their strategic importance was enhanced by their location away from the mainland and proximity to foreign countries. The Naval Chief, Admiral R.H. Tahlani, said the Navy would progressively increase the number of ground-based naval air stations in addition to the existing ship-borne air platforms. Besides IL-38, the heaviest aircraft operated by the Navy, Islanders and Alouettes were lined up during the commissioning ceremony. Senior officials said the Andaman Islands were in fact the advance outposts of India where a strong naval presence gave the country a commanding position in the Bay of Bengal.--PTI [Text] [Madras THE HINDU in English 13 May 85 p 16]

MACHINE TOOLS FROM BLOC--Bangalore, May 13--The public sector Hindustan Machine Tools has signed contracts with Bulgaria and the USSR for supply of machine tools worth Rs 2.2 crores and Rs two crores respectively, reports PTI. The Bulgarian contract is the third big agreement signed in the last 18 months, according to an HMT Press release. The company has signed and executed contracts worth Rs 27 crores with USSR in the last three years. The company has successfully completed a number of other projects and rendered technical and management assistance to various organizations in Algeria, Bangladesh, Indonesia, Iran, Iraq, Nepal, Nigeria, Syria and Tanzania. It has so far exported products, projects and services to over 70 countries, including the developed and the developing ones, touching Rs 18.5 crores in 1984. Besides machine tools, watches, lamps, projects and services, the company also exports engineering goods manufactured by the leading Indian companies. [T4xt] [Calcutta THE STATESMAN in English 14 May 85 p 13]

OIL DRILLING AREAS--Moscow, April 26 (UNI)--The Soviet Union has identified four areas in India where it will take up an "integrated oil search programme." The areas are Densil Valley (Assam), Cambay Basin (Gujarat), onshore Cauvery (Tamil Nadu), and onshore Bengal (West Bengal). Mr Vladimir M. Yudin, Soviet deputy minister for oil industry, said under the integrated programme, agreed upon by the two governments in a recent protocol, the Soviet Union would undertake oil exploration in India. All the work connected with it, from geophysical surveys to drilling, would be the responsibility of the Soviets. If oil or gas was struck, they would hand over the site to the Oil and Natural Gas Commission (ONGC) for commercial exploitation. The Soviet minister said the integrated oil search programme would be in addition to oil cooperation schemes already envisaged under the Indo-Soviet science and technology protocol for 1985-2000. Under the integrated approach, the Soviets will conduct geophysical and seismic surveys, select the drilling site, undertake drilling and prepare the well estimation. ONGC commercial viability of the oil wells was established. The field would be turned over to the ONGC, he said. [Text] [Calcutta THE TELEGRAPH in English 27 Apr 85 p 7]

CSO: 4600/1642

IRAN

WHOLESALE PRICE INDEX OF GOODS FOR FEB-MAR 1985 ANNOUNCED

Tehran SOBH-E AZADEGAN in Persian 21 Apr 85 p 19

[Text] On Saturday, the economic statistics unit of the central bank of the Islamic Republic of Iran announced in a report the wholesale price index for February-March.

This report indicates that the wholesale price index of goods in Iran increased 3.9 percent from 21 February 1985 - 21 March 1985. Compared to the February-March figure for the previous year, this index increased 10.6 percent. During 1363 [21 March 1984 - 20 March 1985] the wholesale price index of goods in Iran increased an average of 7.6 percent compared to the previous year.

The increase of the wholesale price index of goods this month is mainly due to the seasonal increase of the price of fresh fruits and vegetables. Meanwhile the price of red meat, cattle, raw cotton, animal hides, raw intestines, coal, yarn, wood doors and windows, plywood, writing paper, pipes and motors also increased while the price of grains and grain products, dairy products, bricks, clay, cotton and silk fabrics, and rugs declined.

Compared to 21 February - 20 March last year, the price index increase of food stuff and live animals was around 17 percent, industrial raw materials 21 percent, tobacco products and beverages 24 percent, mineral fuels and its products and metal products each 2 percent, mineral goods 6 percent, animal hides, leather and its products 7 percent, construction materials 5 percent, basic metals 3 percent and agricultural and domestic animal products 23 percent.

Meanwhile the price index of chemicals and petrochemicals, textiles, clothing, paper and cardboard, rubber, machinery, and transportation facilities were relatively stable and showed no perceptible change compared to the same month last year.

9815
CSO: 4640/555

IRAN

ACTIVITIES OF INDUSTRIES DIVISION OF FOUNDATION FOR OPPRESSED

Tehran KEYHAN in Persian 25 Apr 85 p 2

[Text] The activities of the industries division of the foundation for the oppressed from its formation until now were announced by the director of this division in a press interview.

According to the KEYHAN economics reporter, Engineer, Ezzatollah Qaedi, the director of the industries division of the foundation for the oppressed, first referred to the formation of this foundation and said: "The foundation for the oppressed was established on 17 March 1979 by the historic order of the imam. The charter of this foundation was approved by the revolutionary council on 1 July 1980. Based on this charter, the foundation was responsible for centralizing all movable and stationary properties of the traitor Shah's family and taking possession of them and using them on behalf of the oppressed." He indicated that: "At present the foundation for the oppressed is a gigantic economic organ and in addition to administering the movable property, administers over 750 economic units which are active in various fields like industry, transportation, housing, urban development, road construction and others."

The Industries Division of the Foundation

He added: "In 1360, [21 March 1981 - 20 March 1982] the industries division of the foundation for the oppressed with 226 industrial units (around 30 percent of the total industrial units of the foundation) became separated from the corporation's affairs. It is worth mentioning that the industries unit of the foundation for the oppressed consists of 3.1 percent of the total industrial units of the nation. These units are active in 8 different fields, such as non-metal mines industries with 56 companies, food and beverages industries with 42 companies, weaving and leather industries with 36 companies, machinery equipment industries with 28 companies, chemical and polymer industries with 19 companies, melting foundry and metal industries with 9 companies, and miscellaneous industries with 6 companies."

The Statistical Reports of the Production Units

The director of the industries division of the foundation in the continuation of his talk referred to the results of the statistics taken from 11 production units and said: "The results of the statistics of 111 production units of the

foundation for the oppressed indicates that the production of these units in the year 1984-85 compared to 1983-84 was over 35.1 billion rials and during 1984-1985 compared to 1982-1983 was over 129 billion rials. Also, the price increase of production in these workshops has been over 65 billion rials. This figure compared to the previous year indicates a growth of 20 percent. "He added: "The investment in the industry division of the foundation during 21 March 1984 - 21 March 1985 was around 5.1 billion rials. This figure compared to 21 March 1982 - 21 March 1983 shows a growth of 71 percent. In addition to that, new projects with capital over 18 billion rials from 21 March 1984 - 21 March 1985 have been executed in the industries division of the foundation which will reach full operation and production during the next 2 to 3 years."

Payment of Bank Loans

The director of the industries division of the foundation for the oppressed continued: "The industries division of the foundation during the years 1982-84 paid over 7 billion rials of its 21 billion rials in loans to the nation's banks. In regard to the rest of its loans it has agreed to pay them in future installments. Also considering the fundamental role of taxes and charges for a healthy economic system, this division of the foundation has paid 4.5 billion rials of its taxes, debts and charges." He reminded: "In regard to the marketing and export of produced goods, effective action has been taken by the foundation so that during the year 1363 [21 March 1984 - 20 March 1985] most of the production units of the industries division of the foundation have participated in the domestic and international exhibitions. In this regard the products of some of the industries covered by the foundation have been exported. We hope that by activating the export units, the foundation for the oppressed will play an effective role in exporting non-oil products."

Aid to War Front of Truth Against Falsehood

In this regard he reminded that: "The foundation for the oppressed has always taken the lead in providing manpower, cash and goods to the war front of truth against falsehood.

In conclusion he referred to the holding of shares by the employees in the industries of the foundation and said: "The majority of the employees of the production units covered by the foundation have shares in the industries they work in." He mentioned: "The industries whose employees are presently holding shares are: Oil production and refining factories, the Sassan industry and the glass and gas factory which the foundation for the oppressed is very satisfied with."

9815

CSO: 4640/574

IRAN

IRAQI POWS MEET WITH FAMILIES

Tehran KEYHAN in Persian 27 Apr 85 p 2

[Text] A group of POW families visited prisoners Thursday afternoon in the Tariq al-Qods campground Iraqi POWs who had been captured during various war activities by the combatants and were separated from their families for years were able to visit and talk with them for hours.

This visit created undescribable joy among the prisoners and their families. According to our reporter, in this visit the families of the prisoners, from the beginning of their arrival in the campground embraced their POW relatives and cried from joy. They cursed the criminal Saddam, the cause of the war and the vagrancy of numerous Muslim people of Iraq. The prisoners, who were tremendously touched by the visit of their families, gave samples of their handicrafts as gifts to them, talked about their life in the camps for several hours and had lunch with them.

This report indicates that Mehdi Alvan Kazem, a 42 year old Iraqi POW who had been an employee of the Iraqi agriculture office in Naset Province prior to his captivity during the Kheybar operation, after meeting with his family said: "The Iraqi agents with a vain pretext transferred me and a few other employees of the office who were not members of the Ba'th Party to a military garrison. After 10 days they transferred us to the Majnun Islands. During the attack of the Iranian forces on these islands, I along with 36 other men, surrendered."

The brother of this Iraqi POW who visited him for the first time, in appreciating the opportunity given to him by the proper authorities of the Islamic Republic of Iran for this visit, called the insane activities of Saddam, his chemical bombardment and hitting the residential areas of the city a sign of the last days of Saddam's life. He demanded that the Islamic Republic confront Saddam decisively.

Mehdi Alvan Kazem, an Iraqi prisoner who has been able during his captivity to attend ideological classes and study the religious books, also expressed his consent and appreciated the brotherly conduct of the POW camp attendants which originates from their Islamic education.

A relative of Abdol Karim Khazali, a 28 year old Iraqi POW, who was visiting him with a few others, in thanking the camp authorities for their consideration

for the POW's welfare in regard to the POW's visitation rights said: "I am short of words in order to thank the kindness of the Islamic Republic. I can only ask if the Iraqi regime permits Iranian families to visit their POW relatives?" He called the bombing of residential areas by Saddam's agents a sign of Iraqi army despicableness in confronting Islamic combatants and said: "The behavior of Saddam is like a cancer patient who is passing the last days of his life" and stated that the only way to bring Saddam to his senses is for Islamic combatants to confront him in the same manner.

Abdol Karim Khaza'al who was busy looking at his family's photo album, in explaining his life in the POW camp and the precious experiences he has acquired about different subjects said that he spends his day in the POW camp reading, exercising and working in the carpentry workshop and participates in Islamic order and fundamental ideology classes and has learned more than ever about Islam from these classes.

Hamun Mehdi-Hassan a 45 year old Iraqi POW who spoke Persian well, in meeting his sister and her children said: "The Ba'th Party agents closed my confectionary shop in Karbala with threats and intimidation and imprisoned me along with some others. They used us for a month to guard the Basra bridge and then they sent us to Majnun Islands by force. We surrendered the next day at 7:00 A.M. during the attack of the Islamic combatants against the island."

His sister in emphasizing that the Islamic Republic must confront the Iraqi's in the same manner said: "The only existing way is to confront them in the same manner. We witnessed that when the Islamic Republic hit Baghdad with a few missiles, Saddam kept quiet."

Based on this report, the sister of Mansur Nuri Merihaj, a 30 year old Iraqi POW, who visited her brother, in explaining her brother's transformation during his captivity said: "Mansur spends his time in the camp weaving in the embroidery shop and attending ideology classes." She added: "The bombing of Iranian cities indicates that Saddam is a pagan." She said: "Saddam has imposed a double vagrancy on us; first we were driven out of Iraq after 15 years and were settled in Khorramshahr, then with the start of the war we were obliged to leave Khorramshahr too."

Based on this report, a group of brother reporters and photographers prepared reports of the meeting of the Iraqi POW's with their families.

9815

CSO: 4640/574

IRAN

OPPOSITION PAPER REPORTS ON SITUATION IN TEHRAN

Paris NEHZAT in Persian 25 Apr pp 1

[Paris NEHZAT in Persian; weekly organ of the Iran National Resistance Movement]

[Text] Tehran is facing turbulent days and according to political observers is expecting events and probably severe confrontations. The reports of our reporters indicate that in front of a roaring wave of anti-war demonstrations, the harshness of the motorcycle riders of the Hezbollah regime increase too. In order to create fear in the people, the Hezbollah motorcycle riders in groups of 20 to 100 proceed in the streets with the slogans "Death to the unveiled" and "Hezbollah, may God preserve you." They beat men and women and cut the hair of young boys with dull scissors so hard that it becomes sore.

Last Tuesday a group of them on Roosevelt Street started to beat young boys and teenagers, shaved their hair and used abusive language on young girls, and then with the slogan "Today talk, tomorrow action" attacked shops. The next day, the owners of the shops on Roosevelt street closed their shops and complained to the general prosecutor's office that if their businesses were not permissible their licenses should be cancelled.

Another report indicates that Friday night a group of Hezbollahis attacked the Shahram pizza shop on Pahlavi avenue across from the Razi school chanting the slogan "Today talk, tomorrow action." They attacked the customers, shaved the hair of the shop's owner, broke his eyeglasses and attacked, beat and villified ladies who were trying to escape, and broke the windows and equipment of the pizza shop. The same report indicates that the Hezbollahis, the regime's hirelings, repeated the same action throughout Pahlavi Avenue and attacked coffee-shops and other shops. Everyday dozens of them parade with their motorcycles between Valiahd square and Tajrish square.

Wherever Hezbollahis have written the slogan "Scissors are the arms of the Hezbollahs," the people have written next to it "Death to the scissors." According to our reporters, the southern part of Tehran is still turbulent. At night you can hear anti-war slogans from the Afsarieh quarter. In the areas of southern Tehran the war slogan "War, where is victory?" is written on the walls. The situation at the 9th of Aban street is critical. The people have closed the area and prevented strangers from entering and chanting anti-war and anti-regime slogans.

The Anti-war and Anti-regime Demonstrations have Spread to Cities in Northern Iran

According to reports, Friday afternoon in Amol, Sume'eh Sara, and Fuman, demonstrations against the war and the regime were held. In these series of demonstrations the people expressed their anger and hatred in regard to the continuation of the war and the war loving regime.

These days the Islamic regime confronts the defenseless people of Tehran with severe harshness. In some areas of Tehran, hoodlums of the Islamic government attack the people and passers-by with axes, nailed maces or firearms. Last Thursday some passers-by witnessed with their own eyes how these hoodlums captured a woman in the windows of the Paris shop and nearly beat her to death. The attack of macebearers has spread inside the government offices and companies too. They arrested women on the grounds of being unveiled and sent them to prison. These days most of the women of Tehran are suffering from nervous illnesses. Komiteh members try to make the police department employees act harshly too. But the police personnel have refrained from confronting the people and help the people escape the macebearers.

On the other side, the people's resistance still continues and by writing slogans on doors and walls, they express their opposition to the regime. On Thursday, those passing by Kian Hotel on Zardtosht street expressed joy in observing the large slogan "Iran never dies" written in red on the wall.

An eyewitness report indicates that in Shemiranat region 500 to 600 people suddenly assembled and shouted slogans against the war and the Khomeyni regime for 2 to 3 minutes, then scattered and repeated the very same action in another locality.

In Tehran the following new slogan is written on doors and walls:

"We don't want Tir cigarettes
We don't want an old leader
We don't want continuous war."

9815

CSO: 4640/576

END